



Code of Ethics

Ferrovie dello Stato Italiane Group



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The Group Code of Ethics will be adopted by all the undertakings included in Ferrovie dello Stato Italiane Group's Consolidated Financial Statement, drawn up using the full consolidation method (pursuant to section 26 Legislative Decree 127/91).

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1. Introduction

The companies that form “Ferrovie dello Stato Italiane Group”¹, act on markets and in the community through the creation of rail transport products and services for customers, which contribute to the development of the country's extensive mobility and logistics project. Within this context, the Group is dedicated to satisfying collective needs for improvement of customer living standards. The Group is in the front line of national modernization with own development, whilst respecting the environment and the territory, using innovation as the underpinning to the excellence, loyalty and professionalism of its operating strategies.

The Group's role in the community is not just as an economic entity but also as a transport sector point of reference. The wide variety of stakeholders, both internal (shareholders, management and employees) and external (customers, current and potential suppliers, financiers, creditors, public institutions and the community), involved in achieving this objective. attribute increasing importance, not only to economic results, but also to quality, image and reliability, as well as to the overall business reputation of ethical, social and environmental responsibility. Above all, to establish and maintain a relationship of trust with stakeholders, the Group must operate in the respect of the law, yet bearing in mind that these regulations and legislation may be insufficient, and thus require support from general and specific ethical principles to guide choices and conduct to the satisfaction of all parties.

Ethics, therefore, are fundamentally important in the orientation of conduct in corporate organs, management, personnel and outsourcers, over and above the Group's rules and procedures.

Within this ethical system the Group can perform its role conscientiously, produce quality services at the lowest cost to the community, and work as a team to accomplish assignments involving many different features.

The Code of Ethics must be interpreted as a kind of “charter of fundamental duties and rights”, by which the Group states and clarifies its ethical and social responsibilities and commitments towards the various internal and external stakeholders, also stated in Decree Law 231/2001, communicating the “rules of the game”. The Code of Ethics presented here was approved by the Group's Board of Directors and is binding for corporate organs, management, personnel, outsourcers, trade partners, suppliers and all those engaging in business relations with the Group.

The Code covers the following:

- LEGITIMIZATION: the Code clarifies and defines Group liability to stakeholders for meeting their expectations;
- INFORMATION: stating general and abstract principles and rules of conduct, the Code identifies unethical conduct and indicates the correct conduct for performing functions and powers attributed to individuals;
- PREVENTION: the Code defines reference ethics and rules of basic conduct to be followed by all stakeholders, and stands as the Group's explicit declaration of its serious and effective commitment to guarantee the legality of its actions, with particular reference to preventing unlawful activities;
- MOTIVATION: enforcing rules and principles to contributes to development of an ethical conscience, to help strengthen the Group's reputation and its relationship of trust with the stakeholders. Equally, compliance with the Code's principles and rules defines the conduct of all management and personnel, and mutual relations based on trust between them and the company to which they belong.

The Group's Code of Ethics states:

- Overall provisions defining the individuals covered by the Code, Group and personnel obligations, how the Code affects third parties, and the Code's contractual significance.
- The Group's ethical standards, which define the reference value of activities performed by each Group company.
- Precepts and standards of conduct, that define guidelines for basic ethical principles beyond simplistic application of the law, for conduct of Group personnel, particularly those in management roles, and corporate organs with administration/control roles.
- Implementation and verification procedures, describing mechanisms and organs that will monitor and mobilise respect for and compliance with the Code, and guarantee ongoing evaluation.

(1) Herein, the term “the Group” refers to all Ferrovie dello Stato Italiane Group's companies

2. Overall provisions

2.1 APPLICABILITY

The Code of Ethics is applied without exception to all corporate organs, management, personnel, outsourcers, trade partners, suppliers and to all Group relations.

Corporate organs and management ensure workability of the Code's values and principles, and take responsibility for internal and external affairs, reinforcing trust, cohesion and group spirit.

In fact, existence of written codes of conduct proves that they are received and understood by personnel, but not that they are observed; obeying rules of conduct is not intrinsically connected to the existence of a code, which is better ensured by the actions and example set by management. Therefore, the role played by corporate organs is essential, as they must delegate implementation of Code principles as part of its tasks and responsibilities. In particular, the administrators of Group companies are required to use the Code as an example in deciding company objectives, proposing and implementing projects and investments, especially in any decision affecting asset values, enterprise operations and technologies, shareholder profits and the general well-being of employees and the community.

Equally, management should apply the same principles when performing its duties and responsibilities, both for internal transactions, thereby reinforcing cohesion and spirit of mutual cooperation, and for relations with any third parties with whom they come into contact.

The Group is governed by the laws and regulations of the countries in which it operates, must apply strictly the Code's principles and rules. This duty is expected of both personnel and outsourcers, suppliers and all those having relations with the Group. The Group will not tolerate violation of these principles, and will act against any material and moral corruption that may undermine its integrity, and will activate organizational methods to prevent violation of the principles ratified by the Code, supervising compliance and implementation.

2.2 GROUP RESPONSIBILITIES

In addition, the Group identifies specific internal organs in each single company to:

- guarantee maximum mobilisation of the Code amongst personnel and third parties;
- ensure a constant updating of the Code, for efficiency and transformation to meet corporate needs and regulations in force;
- guarantee all possible information and clarification tools to assist interpretation and application of the precepts contained within the Code;
- implement checks whenever Code violations are reported, evaluating the facts and - when a violation is verified - applying sanctions;
- guarantee protection from reprisal against anyone reporting possible Code violations.

2.3 RESPONSIBILITY OF CORPORATE STRUCTURES AND UNITS

All those in charge of the company's organisational structures/departments have the following responsibilities:

- set an example to their employees by their conduct;
- guide personnel in correct Code application;
- ensure employees understand that applying the Code is essential to work quality;
- choose employees and outsourcers (within their scope) carefully, to prevent assignments being entrusted to persons who do not observe Code rules;
- when required, inform persons in charge, or the Ethics Committee, of any rule violation reports made by employees;
- when called for, take adequate corrective measures as required by the situation;
- prevent any form of reprisal.

2.4 EMPLOYEE RESPONSIBILITIES

All personnel are required to know the Code's contents, as well as internal and external reference rules regulating activities within their sphere of competence. The employee is also required to:

- observe Code precepts carefully, avoiding any conduct in contract with these precepts;
- report to the person in charge or to the Ethics Committee when clarification of Code precept interpretation and implementation is required;
- report to persons in charge or to the Ethics Committee any information of possible Code violations or any request received in its violation;
- offer maximum cooperation in verification of possible violation.

2.5 CODE OF ETHICS FOR THIRD PARTIES

Within assigned scope regarding third parties, all Group personnel must:

- provide sufficient information on duties and responsibilities established by the Code;
- obey the requirements directly regarding their activity;
- conduct internal initiatives and, if within their competence, external initiatives, as required, when third parties fail to comply with Code precepts.

2.6 CONTRACTUAL CODE OF ETHICS

Code of Ethics rules are an essential part of the contractual obligations of personnel pursuant to Article 2104 of the Civil Code².

Each Group company will take disciplinary action, compliant with current legislation, for any conduct contravening the Code of Ethics, and exercise its entrepreneurial rights to apply sanctions based on the gravity of the facts.

(2) Art. 2104: Employer due diligence - "The employer must show due diligence as required by the nature of the service provided, in the interests of the enterprise, and in the greater interests of national production. The employer is responsible for organisation and discipline of work performed by employees and collaborators on which it relies by hierarchy."

3. The Group's ethical principles

3.1 STRATEGIC VALUE OF HUMAN RESOURCES

Human resources are the Group's greatest asset. They embrace strength, efficiency, intelligence, reputation and a guarantee for the future. The Group can accomplish its mission only full cooperation on all levels, teamwork, shared objectives and employee protection and promotion. Care for people is the final objective of the Group because transport aims to satisfy the community's needs.

The Group's mission is to place itself always at the service of customers, with a commitment to ensure that service is safe and efficient for citizens, and requisites guaranteed at time of service sale are delivered.

3.2 QUALITY OF PRODUCTS AND SERVICES SUPPLIED

The Group aims to satisfy and protect its customers, guaranteeing that products and services supplied are of the highest standard available, ensuring the top efficiency and quality levels. In this perspective, the Group uses its Service Charter, which indicates the level of service provided by each Company within the Group. This is an important tool in reinforcing transparency and honesty in customer relations.

3.3 QUALITY AT MINIMUM COST TO THE COMMUNITY

The cost of the service provided by the Group is borne by citizens, either directly in the form of tariffs or, indirectly, by public costs for services and capital investments. It is the duty of the Group to avoid exploiting a dominant position by developing suitable entrepreneurial competition and refusing to tolerate inefficiencies that damage citizens.

3.4 PROFITABILITY

The Group is preparing itself for the free market and in this perspective is engaged in privatizing several business units and, conversely, continuing to provide a public service. In both cases, profitability is a requisite to guaranteeing self-sufficiency, development and growth. This is an indicator of both the quality of work realized and customer satisfaction.

The Group measures its ability to avoid weighing on the State and indirectly on citizens. Moreover, its profitability, as implied above, must not encourage violation of the Code of Ethics by corporate organs, management, employees, outsourcers and trade partners for the sake of achieving positive economic results.

3.5 INTEGRITY

Integrity is an important company asset and is the strongest guarantee of the enterprise's civic commitment, involving persons engaged in its employ, suppliers, customers and stakeholders in general.

Respect for this principle is achieved through application of laws and respect of rules of moral integrity in all sectors and under all circumstances.

The Group will not tolerate violation of this principle and, therefore, discourages all forms of corruption, to protect itself as a commercial, cultural and social institution, as a producer of wealth, work and technology. As a result, it is not permitted to approve or promise, directly or indirectly, money or any other benefit to third parties, public officials, public service or private employees, to share or remunerate actions by their office or to obtain preferential treatment.

Gestures of commercial courtesy, such as gifts or forms of hospitality, are allowed only when they are of low value, and shall not in any way prejudice the integrity or reputation of either party, and cannot be seen as being intended to obtain advantages inappropriately.

Moreover, this type of expense must always be authorized by persons in charge and adequately documented. Likewise, it is forbidden for corporate organs, management, employees and outsourcers, especially when performing a public service, to receive and/or request gifts or preferential treatment that may not be attributed to normal courtesy, and any such situation must be reported to persons in charge.

3.6 CONFLICT OF INTERESTS

When performing their duties all Group employees -at all levels - must make no decision or undertake any activity that may conflict with the interests of the Company, or be incompatible with their duties. In addition, the Administrators of Group companies must comply with this strict principle. Situations contrasting with this precept must be immediately communicated to the persons in charge or to the Ethics Committee.

In all cases, prior authorization by the competent Personnel and Organizational structure is required for all autonomous or subordinate cooperation between personnel and third parties.

In particular, members of corporate organs, management, employees and collaborators of all Group companies must avoid conflict of interests between any personal and family businesses and duties performed for the unit to which they report.

The following is a series of examples that constitute conflict of interests (the list should not be considered complete):

- economical and financial interests of personnel and/or their families involving suppliers, customers and competitors;
- using Group position or information acquired in the place of work in a way that creates conflict between personal and corporate interests;
- performing work, of any kind, for customers, suppliers or competitors;
- buying or selling Group company shares or non-Group shares involving work performed and using relevant information not of public knowledge.

3.7 IMPARTIALITY

With regard to stakeholders (for example calls for tenders, legal proceedings, exams and contests, career paths, etc.), the Group avoids all forms of discrimination for example of age, sex, sexuality, health, race or nationality, political opinions and religious beliefs) and ignores recommendations or external or internal suggestions, and ensures impartiality and fairness in the application of legal and contractual rules, as well as principles sanctioned within the Code. Any attempt to break these rules must be reported to the competent corporate structure that will inform the Ethics Committee whenever necessary.

3.8 CONFIDENTIALITY

Confidentiality is a fundamental value that must be respected during all Group company operations since it contributes to corporate reputation.

All levels of employees and all outsourcers must respect this principle, even after close of business transactions. In particular, Group corporate organs, management, employees and outsourcers must guarantee confidentiality of information, documents and data identified during working activities and considered Group property, which as such cannot be used, communicated or mobilized without specific authorization. Confidentiality is also required through specific contract clauses, or through a request for confidentiality agreements, from those under contract or enjoying other relations with the Group.

In the same way, the Group is committed to protect information related to its personnel and third parties, produced or acquired during business activities, and to avoid all improper use of this information, including the privacy of interested parties. Specific policies and procedures are applied to guarantee protection of this information. Third parties that intervene to process the information must sign confidentiality agreements.

3.9 PROTECTION OF COMPANY ASSETS

All employees must respect, protect and preserve the assets and property entrusted to them. It is forbidden to use - except for sole Group profit resources, goods or materials belonging to the Group.

3.10 CONDUCT IN AND OUT OF THE WORKPLACE

The conduct of Group employees must always conform to corporate guidelines and procedures in compliance with the law and work contract. In particular, management conduct must always be hallmarked by integrity and fairness, since managers are role models for all employees.

3.11 INDIVIDUAL LIABILITY

The Group's strength and quality is a result of the actions undertaken by all its personnel. Everyone is responsible for their actions during implementation of their duties and working activity.

Furthermore, for those engaged in management activities, there is also a duty to oversee activities performed by personnel under their direction and under their control.

3.12 SOCIAL LIABILITY

The Group considers its social functions a priority. This consists of providing a basic public service responding to the needs of the community and the environment in which it operates.

Therefore, the Group undertakes, as essential to the value of its activities:

- PROFESSIONAL DEVELOPMENT AND PROTECTION

The group undertakes to develop the capacity and skills of its personnel, applying policies founded on equal opportunities and merit. Professionalism is considered a guarantee for the entire community and a determining factor in achievement of Group goals, so recruitment, selection, appointment and career development respond only to objective assessment of the quality of work, without any form of discrimination.

- WORKPLACE SAFETY

The Group undertakes to ensure ongoing improvement of workplace safety by defining specific procedures and control of their correct implementation. Technological and organizational innovation contributes significantly to increasing workplace safety, as does scrupulous compliance with legislation in force. In the case of the absence of applicable regulations, the Group undertakes to report the problem to the competent Authority, whilst continuing to operate according to the highest standards of trustworthiness. Given the specific services offered this aspect is also given priority in customer relations.

- HEALTH

The Group undertakes to protect employee health in all working locations and conditions. Health protection and respect for hygiene regulations are applied in strictest confidentiality. Health protection is also guaranteed to travelling customers and those who use railway property and locations.

- **RESPECT FOR THE ENVIRONMENT**

The Group undertakes to guarantee citizens' environmental rights, including during the realization of new rail works or when introducing new technologies.

- **RESPONSIBLE BUSINESS PRACTICE**

The Group pursues public and community interests in its activities, and generally ensures that business is conducted in the respect of the principles of integrity and transparency.

In particular, all activities, operations, negotiations and conduct, during transactions must be hallmarked by utmost fairness and must exclude any form of corruption or favoritism. All information must be complete and unambiguous, and must abide by all regulations in force and follow all internal procedures.

Corporate organs, management, employees and outsourcers must provide information that is complete, unambiguous, understandable and accurate during negotiations, so that stakeholders can make autonomous decisions and are aware of the interests concerned, alternatives and relevant consequences.

The Group undertakes to avoid exploitation of possible contractual or information and knowledge gaps, or the counterparty's inferior economic conditions.

3.13 RELATIONS WITH COMPETITORS

The Group rigorously respects all competition laws and refrains from conduct that may be misleading, collusive or take advantage of a dominant position, and any other form of unfair competition.

3.14 PROTECTION OF CORPORATE CAPITAL, CREDITORS AND THE MARKET

A core aspect of the Group's ethically competent behavior is its respect for principles of conduct guaranteeing the integrity of social capital, protection of creditors and third parties establishing relations with each Group company, acceptable market performance, functioning of public watchdog authorities and, in general, transparency and correctness of the Group's economic and financial aspects. The Group therefore intends to guarantee the mobilization of and compliance with conduct also to prevent committing corporate offences considered in Decree Law 231/2001.

3.15 RESPECT OF THE LAW AND DEMOCRATIC VALUES

The Group undertakes not to operate any form of financing, direct or otherwise, and not to favor in any way groups, associations or individuals who pursue unlawful objectives, and it thereby guarantees respect for the law and democratic values.

4. Rules and standards of conduct

In following the above mentioned ethical principles, the Group believes it to be crucial to define stakeholder relations on the basis of the following standards of conduct.

4.1 BUSINESS RELATIONS WITH CUSTOMERS, SUPPLIERS AND OUTSOURCERS

4.1.1 RELATIONS WITH CUSTOMERS

Relations with customers must be constantly strengthened through efficiency and quality service, standard of technological development and reliability of the product, as well as by timely, precise and honest information on services offered and performance.

Group personnel shall:

- follow internal procedures for management of customer relations;
- offer top-quality services with efficiency and courtesy, as well as respecting contractual requisites that satisfy or exceed customers' reasonable expectations and needs;
- provide complete and courteous information efficiently, on the price and means of providing products and services, so that the customer can make an informed decision;
- provide truthful publicity and other communications.

The Group undertakes to guarantee adequate standards of services offered on the basis of predefined levels, and to use modern methods of checking and measuring customer satisfaction levels, so as to implement corrections and improvements (Service Charter, direct customer contact, market research). The Group undertakes always to reply to suggestions and complaints from customers and consumer rights associations, where necessary exploiting of suitable communication systems (post, e-mail, fax, telephone, websites). To do so, specific structures are dedicated to this form of dialogue, providing explanations or resolving problems presented by individual customers.

4.1.2 RELATIONS WITH SUPPLIERS

The Group guarantees real and fair competition between suppliers. The selection of suppliers and supplies must be undertaken applying objective evaluation based on quality, price and other requisites relevant to corporate needs and uses. Supply contracts must be drawn up as defined at Group level or by corporate procedure, and always in writing.

In any case, payment shall be commensurate to the quantity and quality of the supplies provided.

Therefore, Group personnel shall:

- follow internal procedures for supplier selection, management and relations;
- avoid preventing any supplier with the required qualities from competing for a procurement contract, applying impartial selection criteria, in accordance with declared and unambiguous methods, optimizing Group resources;
- respect established contractual conditions;
- include in the supply contract the explicit requirement of abiding by the Code's principles, indicating applicable sanctions for breaches of the same i.e. contract cancellation and/or legal action for damages.

4.1.3 RELATIONS WITH OUTSOURCERS

All outsourcers (including consultants, intermediaries, agents, etc.) are required to abide by the principles set out in the Code of Ethics Group personnel, according to their duties, will ensure that:

- the principles and internal procedures are respected and followed for outsourcer selection and relations management;
- they work only with qualified persons and businesses, with good reputations;
- where required, they inform persons in charge or the Ethics Committee of any uncertainties about possible outsourcer violations of the Code;
- the requirement for outsourcers to abide by the principles of the Code is included in the contract, also indicating applicable sanctions and legal action for compensation of damages in the case of any violations.

Outsourcer agreements must be drawn up as defined at Group level or by corporate procedure, and always in writing. In any case, payment shall be commensurate to the quantity and quality of the services indicated in the contract, and commensurate to the professional capacity and the actual service provided.

4.2 RELATIONS WITH PERSONNEL

The Group recognizes the crucial role played by human resources. It is convinced that the main success factor in any enterprise is the professional contribution of people working in an atmosphere of loyalty and mutual trust. Together with institutional training, undertaken at specific periods of the employee's time in the company (for example, new recruits), all personnel will be given ongoing training to develop individual capabilities and skill, to increase value of resources in the working environment.

Group personnel management ensures equal opportunities, guaranteeing fair treatment based on merit and without discrimination. Personnel are employed under a legitimate work contract. No form of illegitimate work is tolerated. The group undertakes to protect personnel's moral integrity, preventing occurrence of unlawful conditions or undue discomfort. For this reason the Group safeguards its personnel from psychological violence and will take action against any discriminatory conduct damaging to the person, their convictions or their preferences.

Sexual harassment is not permitted, nor is intimidating or hostile conduct during internal or external working transactions, just as it is not permitted to engage in work in the workplace under the influence of alcohol, drugs or similar substances, or to consume or to provide drugs.

The group undertakes to apply no-smoking legislation.

4.3 RULES OF CONDUCT SAFEGUARDING CORPORATE CAPITAL, CREDITORS, THE MARKET AND PUBLIC MONITORING FUNCTIONS

Corporate organs, management, employees, and outsourcers of the Group's Companies are required to:

- behave fairly, unambiguously and cooperatively, complying with the laws in force and with internal company procedures, in all activities for the drawing-up of financial reports and other legally-required corporate communications addressed to shareholders or to the public, in order to provide truthful and correct information on the financial and economic situation of the Group and its single Companies;
- ensure fair conduct in drawing up any information prospectuses or documents to be published pursuant to Art. 2623³ c.c., complying with legal provisions to safeguard investor assets and also stock market efficiency and transparency;

- comply to the full with regulations imposed by law for the protection of the integrity and effectiveness of social capital (e.g. mergers, demergers, acquisitions, distribution of earnings and reserves etc) and always act in compliance with internal company procedures, on which these rules are based, in order to avoid prejudice to creditor and any third party guarantees;
- conduct any Group company liquidation operations tending to prefer the interests of company creditors; so it is forbidden to divert corporate assets from creditors, sharing them amongst shareholders before creditors, so necessary funds must be earmarked to meet creditor obligations.

The Group will also:

- ensure the regular functioning of corporate organs, guaranteeing and aiding all forms of control for corporate management prescribed by law, as well as the free and fair implementation of board decisions; so the rigorous respect of established internal procedures is required for each Group company and/or, in any case, adoption of conduct coherent with this principle;
- prevent any fraudulent activity for market price fixing of financial instruments. For this scope, all corporate organs, management, employees and outsourcers of all Group companies must comply with regulations relative to fair price definition for financial instruments, rigorously preventing unsuitable conduct that may cause substantial alteration of the material market situation or asset destabilization of the banking system;
- prevent activities or omissions that might impede functioning of public watchdog authorities delegated to monitor business sectors in which various Group companies operate. Consequently corporate organs, management, employees and outsourcers of aforementioned companies will issue all legally-required communications in good time, fairly and in good faith, to the public watchdog authorities, never causing obstruction to the operations of this exercise.

In particular - with reference to drawing-up of financial reports - the Group considers the truth, correctness and transparency of accounts, balance sheets, reports and other legally-required corporate communications intended for shareholders and the public, essential to conduction of business and guarantee of fair competition.

(3) Art. 2623: "Whoever knowingly presents false information in prospectuses requested for solicitation of investment or for admission to be quoted on regulated markets, or in documentation to be published for public purchase offers, with intention to deceive those to whom the prospectus is addressed, presents false information or conceals data or information to introduce errors for the abovementioned addressees, to achieve for themselves or for others an unjust profit, shall be punished with one year's imprisonment if the conduct has not caused property damage. If the conduct outlined herein has caused property damage to prospectus addressees, the penalty will be one-three years of imprisonment."

This requires in-depth reliability, accuracy, completeness of basic information for accounting entries. Consequently the Group prohibits management (or any directly reporting personnel) concealing information or issuing partial representation or misleading economic data regarding the property and finances of the Group and any of its companies. Therefore, all in-house and external staff working in production, processing, accounting of such information shall be responsible for the transparency of accounts and financial reports of the Group and any of its companies. Every operation having economic, financial or asset relevance must be adequately registered and each registration must be adequately documented, so that it can be verified at any time to certify operations characteristics and motivation, and allow identification of the individual who authorized, implemented, registered, verified the operation.

4.4 INTERNAL AUDIT SYSTEM

At all levels, the Group mobilizes a culture of awareness of existing checks and acquisition of a verification-oriented mentality. A positive attitude to monitoring must be promoted by corporate organs and management of each Group Company, on all levels, considering that this will bring improved efficiency.

Internal audits mean all instruments required or useful for addressing, managing and verification of business activities, with the objective of guaranteeing compliance with the law and with company procedures, protection of company assets, efficient business management and production of accurate and complete accounting and financial data.

All personnel, in the sphere of performing these functions, are responsible for defining the correct functioning of the audit system, including monitoring of the single unit and its processes. Monitoring and evaluation of verification processes, risk management and corporate governance is assigned to each Company's internal audit system, or - where there is none - to the controller's internal audit system. Internal audit structures do not come under any individual operations area manager, but under roles in senior management to whom they regularly report. Internal audit structures do not come under any individual operations area manager, but under roles in senior management to whom they regularly report. Internal audit structures also report regularly to the Audit Committee where present, and to the relevant corporate board of auditors. To perform its tasks, the internal audit structure and the auditing company have free access to data, to documentation and to necessary information.

4.5 RELATIONS WITH INSTITUTIONS AND PUBLIC ADMINISTRATION

Relations with any type of public authority must be unambiguous and coherent with the Group policies, and must be undertaken by corporate officers officially delegated to the task. The relations are not established by promises, donations of money or material gifts to promote Group business, or to defend its market position.

The Group does not intervene in the sphere of public power or in politics to promote its interests with third parties and to receive benefits of any kind.

The Group shall ensure that the above shall not be circumvented by surreptitious consultancy, assistance, sponsorship, advertising or personal appointment. It is underscored that gifts and gestures of courtesy and hospitality to government representatives, public officials and civil servants are admitted when they are of modest value and such that they will not prejudice the integrity of the reputation of either party and are not used to obtain improper advantages. Furthermore, this type of expense must always be authorized by the specific manager and adequately documented. Compliant with the definition of integrity, it is moreover underscored that corporate organs, management and employees are not allowed to request or accept sums of money or other gifts for performing actions contrary to or conforming with third position, even if in the interest of the company or Group.

Particularly, and by way of example, for relations with Italian or foreign representatives of public institutions and public administration in general, no one may:

- promise or give money for scopes different from those declared;
- promise or implement favoritisms in recruiting personnel, selecting suppliers of goods and services, communication of information and documentation;
- produce documentation or data that are false, altered or omit required information, also for the purpose of obtaining contributions/grants/finances or other State or European Community funding;
- earmark contributions/grants/public funds for different purposes from those for which they were obtained;
- obtain unauthorized entry into the public administration information system to obtain and/or modify information to Group advantage.

4.6 RELATIONS WITH POLITICAL PARTIES, MOVEMENTS, COMMITTEES, POLITICAL ORGANIZATIONS AND UNIONS

The Group does not donate direct or indirect contributions, in any form, to parties, movements, committees, political organizations and unions, their representatives and candidates, except those required by specific legislation.

Relations with parties, movements, committees, political organizations and unions are undertaken only by officially-delegated corporate organs.

4.7 MEDIA RELATIONS

Relations with mass media must be unambiguous and coherent with Group policies for guaranteeing maximum protection of Group image and brand.

External press and media communications are undertaken only by officially-delegated corporate organs, consistently with Group policies.

4.8 HEALTH, SAFETY AND ENVIRONMENT

Il Gruppo The Group's future is based on solid values of environmental safety and protection policies. The long-term objective is to achieve zero industrial accidents, workplace accidents and environmental impact.

In the area of safe business practice, the general objective is to continue to reduce the number and consequences of accidents, leveraging technological investments, new active human factor policies and training.

With regard to employee and workplace health and safety, the Group is committed to ongoing stimulation of management and employees to comply with the extensive legislation enacted by Law 626/94 and Law 494/96, with the objective of achieving results comparable with those of top European railways.

As far as the environment is concerned, the Group is strongly committed to changing internal culture so that environmental needs and issues are addressed and managed in a structured manner by medium-term policies and formal programs.

In this field the objectives, on one hand, are modification of corporate behavior and assets to comply with legislation in force, and on the other, coordinated construction of a management system and environmental audit that highlight the railway system's current excellent performance, and further progress to be achieved over time.

All Group personnel, in the sphere of their roles, participate in the process of risk prevention, environmental protection, health and safety for themselves, their colleagues and third parties.

5. Systems of implementation and control

For the purpose of:

- facilitating integration of ethical criteria in both strategic and operations decision-making processes adopted with respect to various corporate interface;
- verification of corporate and conduct compliance with conduct standards;
- proceeding to revise corporate procedure in light of the Code of Ethics and ongoing renewal of the latter;

the Group has established one specific system of implementation and control derived from the institution of an Ethics Committee within each company.

The Ethics Committee is an organ for consultation and guidance, composed of corporate representatives appointed by the Board of the company to which it belongs. In particular the Ethics Committee is delegated to:

- clarify by consultation the significance and application of the Code of Ethics;
- establish and mobilize the method for notification of possible violations of the Code of Ethics;
- examine notifications received, implementing appropriate verifications;
- protect those reporting unfair conduct from possible reprisals;
- communicate the results of the verification to the competent corporate structure to take the most appropriate measures;
- identify and agree employee communication and training programs for improving awareness of Code of Ethics objectives and contents and relevant Code modifications, with the competent corporate structure;
- propose any Group Code of Ethics modifications/integrations to the Holding Company Ethics Committee. Proposals advanced by an indirect subsidiary must be put forward by its own parent company Ethics Committee;
- coordinate with the watchdog unit appointed by Decree Law 231/2001 for the aspects of common interest;
- inform annually the Board of the company to which it belongs and its parent company Ethics Committee of activities undertaken.

To performing its activities the Ethics Committee avails itself of competent corporate structures.

Any person aware of conduct that does not conform with or violates the Code of Ethics by any subject in engaged in relations with the Group should promptly inform the Ethics Committee of the company to which they belong, in writing and identifying themselves: confidentiality is assured, without prejudice to legal requirements.

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