

ENGLISH VERSION FOR INFORMATION

Subject: CODE OF ETHICS	Type of doc.: ORGANIZATIONAL REGULATION
	Code ASG-DO-D-A09 Rev. 0
Confidentiality class: 1	Date 18/09/2008
Reason for rev.: Change of corporate name	Previous issue: ASG-DO-A15 Rev. 0, 07/12/04

Code of ethics

Company **ASG SUPERCONDUCTORS S.p.A.**

Approved by Board of Directors on 1st December 2004

LIST OF CONTENT

1. INTRODUCTION

- 1.1. The Company
- 1.2. Relations with Third Parties
- 1.3. Guiding principles
- 1.4. The Code of Ethics

2. GENERAL PRINCIPLES

- 2.1 Compliance with the law and regulations
- 2.2 Models and rules of conduct
- 2.3 Diffusion and observance of the Code of Ethics
- 2.4 Company management

3. HUMAN RESOURCES AND EMPLOYMENT POLICY

- 3.1 Essential conditions
- 3.2 Selection policies
- 3.3 Human resources and Code of Ethics
- 3.4 Safety and health. Working environment and privacy protection

4. CONFLICT OF INTEREST

- 4.1 Corporate and individual interests
- 4.2 Prevention of conflicts of interest

5. OPERATING PROCEDURES AND ACCOUNTING RECORDS

- 5.1 Specific protocols
- 5.2 Observance of procedures
- 5.3 Accounting transparency

6. PROTECTION OF COMPANY ASSETS

- 6.1 Safekeeping and management of resources

7. EXTERNAL RELATIONS

- 7.1 Relations with authorities and public institutions and other representatives of collective interests
- 7.2 Relations with customers and suppliers

8. RELATIONS WITH THE MASS MEDIA AND INFORMATION MANAGEMENT

- 8.1 Method of conduct
- 8.2 Confidentiality

9. VIOLATIONS OF THE CODE OF ETHICS - SYSTEM OF SANCTIONS

- 9.1 Reporting of violations
- 9.2 Sanction system guidelines

Distribution List	Annex	Page	Issued by	Approved by
A – B		1 of 7	Managing Director	Managing Director

1. INTRODUCTION

1.1. The Company

This Code (hereinafter, "Code of Ethics") expresses the ethical commitments and responsibilities undertaken by the collaborators of ASG Superconductors S.p.A. (hereinafter "ASG"), be they employees, collaborators in whatever capacity or directors, in the performance of the Company's business and other activities. ASG is committed in the design, development, production, installation and tests of superconductive/resistive magnets; cryogenic systems, resonant cavities, electromechanical components and service on the developed technologies; design, production, maintenance for energy production plants. The objectives of ASG are pursued by everyone who works in the Company with loyalty, professionalism, honesty, competence and transparency, in full compliance with the laws and regulations in force.

1.2. Relations with Third Parties

The management of relations between ASG and all public or private, Italian or international parties - individuals, groups, companies, institutions - in contact for any reason with ASG and/or with an interest in the activities performed by the Company, is of primary importance. ASG bases its actions on precise compliance with laws, market rules and the guiding principles of fair competition.

1.3. Guiding principles

Observance of the law, transparent and proper management, trust and cooperation with the aforementioned parties are the ethical principles which guide ASG - and on which it bases its models of conduct - as it strives to compete effectively and fairly on the market, to improve customer satisfaction, and to develop the professional competences and growth of its human resources. Specifically, the fact that a party is convinced that it is acting in some way in the interests of the Company does not justify conduct in contrast with the aforementioned principles. Everyone who works in ASG, without distinction or exception, therefore undertakes to comply with and to ensure compliance with these principles in the framework of their functions and responsibilities. This undertaking also requires that the parties with which the Company entertains relations for whatever reason act according to rules and methods guided by the same values.

1.4. The Code of Ethics

ASG has determined that it is appropriate and necessary to adopt and issue a code of conduct that clarifies the values with which all its directors, employees and collaborators in whatever capacity must comply, accepting responsibilities, organisational arrangements, roles and rules for which they are personally responsible with regard to the Company and the outside world, even if it does not give rise to any liability accruing to the Company in connection with third parties.

Awareness of and compliance with the code of conduct by all those who work in ASG are therefore primary conditions with regard to the transparency and reputation of the Company. The code is also communicated to everyone with which ASG entertains business relations.

Checks on the implementation of the code of conduct and its application are the responsibility of the Board of Directors and of the Company management, which may also promote supplements or amendments to its content.

It is the task of the Board of Directors to update the Code of Ethics for the purposes of aligning it with any relevant new legislation and the evolution of civil sentiment.

2. GENERAL PRINCIPLES

2.1 Compliance with the law and regulations

ASG works in absolute compliance with the laws and regulations in force in the countries in which it does business, in accordance with the principles established in the Code of Ethics and the procedures laid down by internal protocols. Moral integrity is a constant duty of all those who work for ASG and characterises the conduct of the Company's entire organisation. The directors and employees of ASG, and all those who work with same in whatever capacity, are therefore required, in the framework of their own respective competences, to be aware of and comply with the laws and regulations in force in all the countries in which the Company operates.

They are also required to be aware of and comply with the rules that regulate national and international competition. The relations with the Authorities of parties who work for ASG must be based on the utmost

fairness, transparency and collaboration, in full compliance with the law and regulations and with their corporate functions.

2.2 Models and rules of conduct

All the working activities of the parties who work for ASG must be performed with professional commitment, moral rigour and management fairness, also for the purposes of protecting the image of the Company. The conduct and relations of all parties that work internally or externally, in whatever capacity, in the interests of ASG, must be guided by the principles of transparency, fairness and mutual respect. In this context, managers must be the first to set an example with their actions for all the human resources of ASG, observing the guiding principles of the Code of Ethics, corporate procedures and rules in the performance of their functions, attending to the diffusion of same among employees and soliciting them to present requests for clarification or proposals for amendments where necessary.

2.3 Diffusion and observance of the Code of Ethics

ASG promotes awareness and observance of the Code of Ethics, internal protocols and their review among all directors, employees, collaborators in whatever capacity, commercial and financial partners, consultants, customers and suppliers, asking that they be observed and making provision in the case of non-compliance for adequate disciplinary or contractual sanctions.

The aforementioned subjects are therefore required to be aware of the content of the Code of Ethics and internal protocols, to observe the same and to contribute to their implementation, reporting any failing and violations (or also mere attempted violations) of which they become aware. ASG also promotes and encourages the collaboration of employees in the process of ensuring compliance with, knowledge of, and the implementation of the Code of Ethics and, in the framework of their respective competences and functions, internal protocols.

2.4 Company management

ASG has introduced a corporate management system which complies with the law and applicable regulations and is aligned with international best practices. This corporate governance system is designed to provide control over business risks and transparency as regards the market.

3. HUMAN RESOURCES AND EMPLOYMENT POLICY

3.1 Essential conditions

Human resources are essential for the continued existence of the Company and a critical factor in successful market competition. The honesty, loyalty, ability, professionalism, technical preparation and dedication of human resources are, as a result, fundamental conditions for achieving the goals of the Company and are therefore the characteristics required by ASG from its directors, employees and collaborators.

3.2 Selection policies

For the purposes of contributing to the development of business goals and ensuring that such goals are pursued by everyone involved, in compliance with the guiding ethical principles and values of ASG, Company policy is addressed to selecting each employee, consultant and collaborator in whatever capacity according to the values and characteristics set out above. In the framework of the selection process - conducted in such a way as to promote equal opportunities and without any discrimination with regard to the private life and opinions of candidates – ASG operates in such a way that the resources hired correspond to the profiles which are effectively necessary to satisfy the Company's needs, without favouritism or facilitation in any form.

3.3 Human resources and Code of Ethics

Through dedicated functions and resources, ASG constantly promotes awareness of the Code of Ethics, related protocols and relative updates, in addition to the areas in which the various functions operate, with the attribution of responsibility, hierarchical chains of command, task descriptions and the training of human resources.

Information about and awareness of the Code of Ethics and the relative specific protocols is promoted in the first instance through the distribution of appropriate documentation to everyone who interacts with the

Company, which in such case requires said persons - at the time of giving them the materials containing information about the Code of Ethics - to sign a statement that they have taken note of the documentation received. Company personnel may at any time ask their superiors for advice and clarification regarding the content of the Code of Ethics and the protocols and duties attributed to them.

On entering into new relationships of employment, consulting and/or collaboration, ASG promptly provides the information needed to gain sufficient knowledge of the Code of Ethics and protocols, with particular reference to information regarding specific competences.

3.4 Safety and health. Working environment and privacy protection

ASG undertakes to create a working environment that provides everyone who interacts with the Company in whatever capacity with conditions that respect their personal dignity and in which individuals' characteristics do not give rise to discrimination or conditioning.

Also in this regard, in accordance with current legislation, ASG undertakes to protect the privacy of the employees of the Company and more generally of everyone who interacts with the Company in connection with information concerning their private life and opinions. Specifically, workers' dignity must be ensured through respect for privacy in correspondence and in interpersonal relations between employees, by means of the prohibition of interference in conferences or dialogues and through the prohibition of intrusions or forms of control which may harm the personality.

4. CONFLICT OF INTEREST

4.1 Corporate and individual interests

A relationship of full confidence exists between ASG and its employees. In this framework it is the prime duty of employees to use the assets of the Company and their own working skills to pursue the interests of the Company, in accordance with the principles established by the Code of Ethics, which represent the values that guide ASG. In view of this, the directors, employees and collaborators in whatever capacity of ASG must avoid every situation and abstain from every activity in which a personal interest is in conflict with those of the Company or which may interfere and hinder the ability to make impartial and objective decisions in the interests of the Company. The occurrence of situations of conflict of interest, as well as being in contrast with the law and the principles established by the Code of Ethics, is detrimental to the image and integrity of the Company. Directors, employees and collaborators must therefore exclude every possibility of the overlap or intersection, by taking advantage of their position and function, of economic activities driven by personal and/or family interests and their duties performed within the Company.

4.2 Prevention of conflicts of interest

In order to avoid situations of even potential conflict of interest, ASG when it attributes assignments or enters into relationships of employment, asks its directors, employees and collaborators in whatever capacity to sign a special statement that excludes the existence of conditions of conflict of interest between the individual and the Company. This statement also makes provision for an undertaking by such individuals to promptly inform ASG - as represented by their superior officer - in the event they find themselves in situations of actual or potential conflict of interest. ASG also asks that anyone with information regarding situations of conflict of interest promptly informs their superior officer of the fact.

5. OPERATING PROCEDURES AND ACCOUNTING RECORDS

5.1 Specific protocols

Specific protocols addressed to preventing any detrimental events and their resulting potential negative impact on the position of the Company, are based on the code of conduct and prepared - or suitably supplemented and amended - following an analysis of the corporate context, with a view to highlighting the risks weighing on the Company and the existing control system, as well as on its effective adequacy. Specific protocols are introduced - by all those who for whatever reason contribute to the operating process - according to the terms and in the manner provided and described for this purpose by the competent functions.

The correct application of these protocols guarantees that it is possible to identify those persons in the Company who are responsible for making decisions regarding, authorising and performing operations: for

this purpose - according to the principle of control represented by the separation of duties - the various stages of individual operations must be performed by different persons whose competences are clearly defined and understood inside the organisation, in such a way as to avoid the attribution of unlimited and/or excessive powers to individual subjects.

5.2 Observance of procedures

The directors, and the executive directors in particular, employees and all those who have relations in whatever capacity with ASG, each in their own sphere of competence, are bound to scrupulously follow the procedures established in the protocols. In particular, Company procedures must regulate the performance of every operation and transaction in such a way that it is possible to verify (by means of the following controls, without limitation: balancing, joint signatures, supporting accounting documents, in-depth studies on the activities of sales agents, consultants, suppliers, etc.) the legitimacy, authorisation, consistency, congruity, correct registration and verifiability of same, also with regard to the use of financial resources. Every operation shall therefore be supported by adequate, clear and complete documentation, which shall be filed with the Company records, in such a way as to allow the reasons for and the characteristics of the operation to be checked at any time and the precise identification of who, in the various phases, authorised, performed, registered and verified such operations. Compliance with instructions established by specific protocols regarding the procedural flow to observe in connection with the formation, decision and registration of Company phenomena and the effects of same, makes it possible among other things to promote a culture of control at all levels of the Company, which contributes to improving management efficiency and constitutes a support tool for management action.

5.3 Accounting transparency

Truthfulness, accuracy, comprehensiveness and clarity of basic information represent the necessary conditions for transparent accounting records and constitute a fundamental value for ASG, also for the purposes of guaranteeing the possibility for third parties to obtain a clear picture of the Company's financial and equity situation. The first requirement for compliance with this value is that the documentation of basic facts to record in the accounts in support of the registration is complete, clear, truthful, accurate and valid, and that same is filed with the records for every appropriate verification necessary. The connected accounting record must reflect the description in the support documentation in a complete, clear, truthful, accurate and valid manner. In the case of financial/equity items based on assessments, the connected registration must be performed in compliance with the criteria of reasonableness and prudence, clearly illustrating in the relative documentation the criteria on which the assessment of the asset is based. Whoever becomes aware of possible omissions, falsifications or irregularities in the keeping of the books and the basic documentation, or in any case of violations of the principles established by the Code of Ethics and specific protocols, must report same promptly to the Board of Directors. The aforementioned violations undermine the relationship of trust with the Company, are subject to disciplinary action and will result in appropriate sanctions.

6. PROTECTION OF COMPANY ASSETS

6.1 Safekeeping and management of resources

ASG works in such a way that the use of available resources - in compliance with current legislation and the bylaws and in line with the values established by the Code of Ethics - is addressed to guaranteeing, increasing and strengthening the Company's equity, with a view to protecting the Company, its creditors and the market.

7. EXTERNAL RELATIONS

7.1 Relations with authorities and public institutions and other representatives of collective interests

7.1.1 Relations with Authorities and Public Administrations

Relations attributable to the Company's activities with public officials or those responsible for public services (who operate on behalf of the central or peripheral Public Administration or legislative bodies, community institutions, international public organisations and any foreign State), with the judiciary, with public supervisory authorities and with other independent authorities, as well as with private concessionary companies performing a public service, must be entered into and managed in absolute and scrupulous compliance with the law and current legislation, and with the principles established by the Code of Ethics and internal protocols, in such a way as not to compromise the integrity and reputation of both parties. Attention and care must be placed on relations with the aforementioned subjects, in particular as regards operations concerning: tenders, contracts, authorisations, licences, concessions, applications and/or the management and utilisation of financing in any currency from public bodies (national, community, international), management of work orders, relations with supervisory authorities or other independent authorities, pension entities, tax collection entities, bodies responsible for bankruptcy proceedings, civil, criminal or administrative law proceedings, etc. In order to avoid the performance of actions in contrast with laws or which are in any case detrimental to the image and integrity of the Company, the aforementioned operations and the related management of financial resources must be undertaken by the corporate functions specifically authorised to do so, in accordance with the law and with the principles of the Code of Ethics, preferably in writing and in full compliance with internal protocols.

7.1.2 Relations with political and trade union organisations

ASG does not encourage or discriminate directly or indirectly against any political or trade union organisation. The Company abstains from making any direct or indirect contributions, in any form, to parties, movements, committees and political and trade union organisations, and to their representatives and candidates, except those due based on specific legal provisions.

7.1.3 Gifts, benefits and promises of favours

ASG prohibits everyone who operates in its interests, in their own name or on their own behalf, from accepting, offering or promising, also indirectly, undue money, gifts or services (also in terms of employment opportunities) linked to relationships with public officials, persons responsible for public services or private persons, for the purposes of influencing their decisions with a view to receiving more favourable treatment or undue services or for any other purpose. Any requests for or offers of money or favours of any kind (including for example gifts of significant value) formulated unduly to or by those who operate on behalf of ASG in the framework of relations with the Public Administration (Italian or of foreign countries) or with private subjects (Italian or foreign), must be reported immediately to the Board of Directors and the corporate function competent for deciding on the measures to take as a result.

7.2 Relations with customers and suppliers

7.2.1 Business conduct

Fair and transparent relations with customers and suppliers is a significant factor for the success of the Company. The selection of suppliers and the purchasing of goods and services must take place according to the principles of this code of conduct and internal procedures, and in writing. In all cases the selection must be made exclusively on the basis of objective parameters including quality, cost-effectiveness, price, capability and efficiency.

7.2.2 Gifts, donations and benefits

In business relations with customers and suppliers, donations, benefits (both direct and indirect), gifts, acts of courtesy and hospitality are prohibited, unless of a nature and a value such that they do not compromise the image of the Company and may not be construed as intended to obtain favourable treatment that is not determined by market rules. In any case, any gifts, acts of courtesy and hospitality must be communicated and submitted for approval by the person in question to their superior officer in the Company. Employees who receive gifts or favourable treatment from customers or suppliers that go beyond ordinary relations of courtesy, must immediately report the fact to their superior, who will immediately notify the specific bodies and/or competent corporate functions which, after the appropriate verifications, will make provision through the functions responsible for external communications, and inform the author of the present, gift, etc. of the Company's policy in this regard.

8. RELATIONS WITH THE MASS MEDIA AND INFORMATION MANAGEMENT

8.1 Method of conduct

Relations with the press, with communication and information media and, more in general, with external correspondents, must be carried on exclusively by persons expressly delegated to do so, in compliance with the procedures or regulations established by the Company. Any request for information from the press or communication and information media received by ASG personnel must be reported to the Board of Directors.

External communications must follow the guiding principles of truth, correctness, transparency and prudence and be addressed to promoting awareness of Company policy and the Company's programmes and projects. Relations with the mass media must be based on the observance of the law, the Code of Ethics, the relative protocols and the principles already set out with reference to relations with public institutions and with the aim of protecting the Company's image.

8.2 Confidentiality

In consideration of the specificity and importance of the activities undertaken by the Company (e.g. scientific research, protected technologies, etc.), all those who operate in whatever capacity on behalf of ASG are bound to keep confidential - and therefore not to divulge or request undue information - about documents, know-how, research projects, Company operations and, in general, all information learned in connection with their working function. In detail, confidential or secret information is information subject to specific rules or regulations because it relates, for example, to inventions, scientific discoveries, protected technologies or new industrial applications. All information gained during the performance of working activities or in relation to same is regarded as confidential if the diffusion and use of same could be the source of risk or damage for the Company and/or the undue enrichment of employees. The violation of the duty of confidentiality by employees or collaborators seriously undermines the relationship of trust with the Company and may lead to disciplinary or contractual sanctions.

9. VIOLATIONS OF THE CODE OF ETHICS - SYSTEM OF SANCTIONS

9.1 Reporting of violations

With reference to information relating to violations and attempted violations of or requests to violate the rules contained in the Code of Ethics and attached protocols, the Company will take care to guarantee that no one is subject in the working environment to retaliations, unlawful conditioning, hardship or discrimination of any type for having reported the violation of the rules contained in the Code of Ethics and internal procedures to the Board of Directors. The Company will promptly follow up all reports with the necessary verifications and adequate sanctions.

9.2 Sanction system guidelines

The violation of the principles established in the Code of Ethics and in the procedures provided by internal protocols compromises the relationship of trust between ASG and its directors, consultants, collaborators in whatever capacity, customers, suppliers and commercial and financial partners.

These violations will therefore be pursued by the Company incisively and promptly by means of adequate and proportional disciplinary provisions, independently of any criminal law consequences deriving from such conduct and the initiation of criminal proceedings in cases in which same constitutes a crime. The effects of violations of the Code of Ethics and internal protocols must be taken into serious consideration by everyone who has a relationship with ASG for any reason. To this end ASG promotes the diffusion of the Code of Ethics and internal protocols, in addition to awareness of the sanctions provided in the event of violations and to the manner and procedure for their application. In order to protect its image and safeguard its resources, the Company will not enter into relationships with parties that do not intend to work in strict compliance with current laws and/or refuse to act according to the values and principles established by the Code of Ethics and to observe the procedures and regulations provided by the attached protocols.