

ALTERNUS ENERGY INC.

STATEMENT OF COMPANY POLICY

RE: SECURITIES TRADED BY COMPANY PERSONNEL

OR, "INSIDER TRADING"

The Need For this Policy Statement

The Securities and Exchange Commission (the "SEC") and the U.S. Department of Justice vigorously pursue violations of insider trading laws. In 1988, to further deter insider trading violations, Congress expanded the authority of the SEC and the Justice Department, adopting the Insider Trading and Securities Fraud Enforcement Act. In addition to increasing the penalties for insider trading, the Act puts the onus on companies and possibly other "controlling persons" for violations by company personnel.

We are adopting this Policy Statement not only to comply with the law, but to avoid even the appearance of improper conduct on the part of anyone employed by or associated with Alternus Energy Inc. (the "Company"), not just so-called "insiders." We have all worked hard over the years to establish our reputation for integrity and ethical conduct. We cannot afford to have it damaged.

What is an Insider

"Insiders" are traditionally defined as an officer, director, individual or entity owning 10% or more of any class of a company's shares. However, the SEC has made it clear that the definition of an insider is intended to cover the people who have the most knowledge of the inner working and future prospects of a publicly traded company, which is usually not just the officers and directors. In medium and large sized companies, the list of insiders tends to include the executive staff of the company in addition to the officers and directors. ***But in small sized companies like Alternus Energy Inc., many of the Company's employees and consultants are also insiders.*** The key concept in defining an insider is whether a person has material, non-public information.

What is Insider Trading

Insider trading is when a corporate insider trades in the securities of a corporation on the basis of material, non-public information. This can occur when a material event may happen, is about to happen or has happened but the public has not yet been informed of it, and an insider at the company buys or sells shares of the company's stock.

Material Information. It is not possible to define all categories of material information. Information should be regarded as material if there is a substantial likelihood that it would be considered important to a reasonable investor in making an investment decision regarding the purchase or sale of the Company's securities. In short, any information which could reasonably affect the price of the stock. Where the nonpublic information relates to a possible or contingent event, materiality depends upon a balancing of both the probability that the event will occur and the anticipated magnitude of the event in light of the totality of a company's activities.

While it may be difficult under this standard to determine whether particular information is material, there are various categories of information that are particularly sensitive and therefore more likely to be considered material. Examples of such information include:

- Quarterly financial results
- Known but unannounced future earnings or losses
- News of a pending or proposed merger
- News of the disposition or acquisition of significant assets
- Changes in dividend policy
- Stock splits
- New equity or debt offerings

Either positive or negative information may be material. Questions concerning whether nonpublic information is material can be directed to the General Counsel.

Non-Public Information. Information is "nonpublic" until it has been made available to investors generally. In this respect, one must be able to point to some fact or event to show that the information is generally public, such as inclusion in reports filed with the Securities and Exchange Commission or press releases issued by a company, or reference to such information in publications of general circulation, such as The Wall Street Journal or the New York Times. In general, information may be presumed to have been made available to investors after two business days from the formal release of such information.

Examples. Common examples of information that will frequently be regarded as material are: the amounts of quarterly or annual earnings or losses; projections of future earnings or losses; news of a pending or proposed merger; acquisition or tender offer; news of a significant sale of assets or the disposition of a subsidiary; changes in dividend policies or the declaration of a stock split or the offering of additional securities; changes in management; and significant changes in operations. Either positive or negative information may be material.

Our Policy

If a Director, Officer, Employee or Consultant has non-public material information relating to the Company, it is our policy that neither that person nor any related person may buy or sell securities of the Company or engage in any other action to take advantage of, or pass on to others, that information. This policy also applies to information relating to any other company obtained in the course of employment.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

The Company's Trading Window

The Company has determined that all officers, directors, employees and consultants (as may be amended from time to time by the General Counsel), shall be prohibited from buying, selling or otherwise effecting transactions in any stock or other securities of the Company or derivative securities thereof EXCEPT during the following trading window:

Beginning at the open of market on the second trading day following the date of public disclosure of the Company's financial results for a preceding fiscal quarter or year and ending at the close of market on the 10th day of the second calendar month of the current calendar quarter (the "Open Window").

It should be noted that even during the Open Window, any person possessing material nonpublic information should not engage in any transactions in the Company's securities until the beginning of the trading day following the date of public disclosure of such information, whether or not the Company has recommended a suspension of trading to that person.

Twenty-Twenty Hindsight. Remember, if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators, prosecutors and others might view your transaction in hindsight.

Transactions by Family Members. The very same restrictions apply to your family members and others living in your household. All employees and consultants are expected to be responsible for the compliance of their immediate families and personal households.

Tipping Information to Others. Whether the information is proprietary information about the Company or information that could have an impact on its stock price, Insiders must not pass the information on to others. The above penalties apply, whether or not

you derive any benefit from another's actions. In fact, the SEC imposed a \$470,000 penalty on a tipper even though he did not profit from his tippees' trading.

The Consequences. The consequences of insider trading violations can be staggering:

For individuals who trade on inside information (or tip information to others):

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to \$1 million; and
- A jail term of up to ten years.

For the Company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

- A civil penalty of the greater of \$1 million or three times the profit gained or loss avoided as a result of the Insider's violation; and
- A criminal penalty of up to \$2.5 million.

Moreover, if an employee or consultant violates the Company's insider trading policy, Company imposed sanctions, including dismissal for cause, could result from failing to comply with the Company's policy or procedures. Needless to say, any of the above consequences, even an investigation that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

Company Assistance

Any person who has any questions about specific transactions may obtain additional guidelines from our outside Counsel. Remember, however, the ultimate responsibility for adhering to this Policy Statement and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment.

Pre-Clearance of All Trades by Directors and Officers

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an Officer engages in a trade while unaware of a pending major development), we are implementing the following procedure:

All transactions in Company stock (acquisitions, dispositions, transfer, etc.) by Directors and Officers should be pre-cleared by outside counsel or the General Counsel. If a Director or Officer contemplates a transaction, he or she should contact outside counsel or the General Counsel in advance. This requirement does not apply to stock option exercises, but does apply to market sales of stock purchased upon exercise of stock options.

Adoption and Effect of 10b5-1 Trading Plans

The Company permits all directors, officers and other employees to adopt trading plans in accordance with Securities and Exchange Commission Rule 10b5-1(c) (17 C.F.R. § 240.10b5-1(c)) and otherwise pursuant to the Company's procedure for adopting such a trading plan (a "10b5-1 trading plan"). The restrictions on trading set forth in this Policy shall not apply to trades made pursuant to a 10b5-1 trading plan. For more information concerning trading plans, please contact the General Counsel.

Additional Advice

Because we believe it is improper and inappropriate for any Company personnel to engage in short-term or speculative transactions involving Company stock, it is the Company's advice that Directors, Officers and employees should not engage in any of the following activities with respect to securities of the Company:

1. Trading in securities on a short-term basis. Any Company stock purchased in the open market should be held for a minimum of six months and ideally longer. The SEC's short-swing profit rule already prevents Officers and Directors of all public companies from selling any Company stock at a profit within six months of a purchase. In addition, that rule also prevents Officers and Directors from buying any Company stock within six months of a sale consummated at a higher price. We are simply expanding this rule, as prudent advice, to all employees and consultants. However, the rule does not apply to stock option exercises, except to the extent required for Officers and Directors.

2. Short sales.
3. Buying or selling puts or calls in any transaction.
4. Buying on margin.

Individual Responsibility

Every officer, director and other employee, consultant and contractor has the individual responsibility to comply with this Policy. An Insider may, from time to time, have to forego a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of the material nonpublic information and even though the Insider believes he or she may suffer an economic loss or forego anticipated profit by waiting. **Trading in the Company's securities during the trading window should not be considered a "safe harbor," and all directors, officers and other persons should use good judgment at all times.**