

Brugg Kabel AG


COMPLIANCE PROGRAM

Approved by the Board of Directors on

25.01.2021

Inhalt

1. Objective / Introduction	3
2. Scope / Field of Application, Recipients.....	3
4.1.1 THE REGULATORY CONTEXT	7
4.1.2 ROLES AND RESPONSIBILITIES	7
4.2 GENERAL PRINCIPLES	8
4.2.1 IN PARTICULAR: RULES OF CONDUCT TO PREVENT OFFENCES	10
4.2.1.1 Bribery of Swiss public officials, granting of advantages, bribery of foreign public officials and bribery of private individuals.....	10
4.2.1.2 Money laundering.....	11
4.2.1.3 Terrorism financing.....	12
4.2.1.4 Criminal organization.....	12
4.3 AREAS AT RISK / SENSITIVE ACTIVITIES.....	12
4.3.1 GIFTS, HOSPITALITY AND ENTERTAINMENT EXPENSES	12
4.3.2 LIBERAL DISBURSEMENTS.....	13
4.3.3 SPONSORSHIPS	14
4.3.4 POLITICAL CONTRIBUTIONS	15
4.3.5 RELATIONS WITH PUBLIC AUTHORITIES	15
4.3.6 RELATIONS WITH THIRD PARTIES	16
4.3.6.1 RELATIONS WITH BUSINESS PARTNERS.....	16
4.3.6.2 RELATIONS WITH SUPPLIERS	17
4.3.6.3 RELATIONS WITH CLIENTS	18
4.3.7 BOOKKEEPING AND MANAGEMENT OF FINANCIAL FLOWS.....	18
4.3.8 HUMAN RESOURCES.....	20
4.4 COMPLIANCE PROGRAM APPLICATION TOOLS	21
4.5 CONFLICT OF INTEREST	22
4.6 TRAINING AND INFORMATION	22
4.7 REPORTS.....	22
4.8 SANCTIONING SYSTEM.....	23

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 3 of 23 Version 1.0</p>
---	---	--

1. Objective / Introduction

Premise

Following the acquisition by the Terna Group, through its subsidiary Terna Energy Solutions S.r.l., of the stake in the capital of the company Brugg, a compliance program was promoted with the aim of uniforming Brugg's level of compliance with the standards defined by the Terna Group, in through the extension of the procedures, principles, compliance provisions - including the Global Compliance Program adopted on November 10, 2017 by the Parent Company - and, as far as compatible with local regulations, the essential elements that characterize an organizational model pursuant to Legislative Decree no. 231 of June 8, 2001.

In this context, in light of the important role that Brugg plays at the international level, also through foreign subsidiaries, it was deemed appropriate to adopt the present "Compliance Program" – in addition to the governance tools and guidelines already formalized – in order to comply with the control principles and best practices developed, at the international level, in order to prevent the commission - in the interest or to the advantage of Brugg and/or the Group - of given crimes by the Addressees.

In particular, the present Compliance Program aims at the prevention of Crimes while establishing a system of sanctions (referred to in Chapter 9 below) for any unlawful conduct carried out in violation of laws, regulations and/or provisions or procedures internal to the company and/or adopted at Group level.

In particular, the following was taken into account in the drafting the Compliance Program: the current organisational structure of the Company; the evolution of jurisprudence and doctrine and best practices on the subject; the provisions of Terna's Model; the practice of Italian and foreign companies with regard to organisational, management and control models pursuant to Legislative Decree no. 231/2001; the results of the risk-assessment activities and the results of the activities carried out by the Integration team; the evolution and principles expressed by the reference laws, including Swiss legislation.

The Company's Compliance Program is divided into the following chapters: 1. Introduction; 2. Regulatory references and responsibilities; 3. General principles; 4. Areas at Risk/Sensitive Activities; 5. Compliance Program enforcement tools; 6. Training and Information; 8. Reporting; 9.


The Code of Ethics, as set forth in Attachment 1, constitutes an integral and substantial part of the Company's Compliance Program.

2. Scope / Field of Application, Recipients

The present Compliance Program applies to the Recipients within the scope of their activities and within the limits of their responsibilities.

The adoption of the Compliance Program is mandatory by Brugg Cables through a resolution of its Board of Directors.

As of the date of adoption of the Compliance Program, Brugg will adopt specific contractual clauses implying the commitment to compliance with the reference principles contained herein, in addition to local regulations, by third parties operating in favor of or on behalf of. Such contractual clauses are subject to acceptance by the third party.


	Guideline Compliance Program	Q-03446-en Page 4 of 23 Version 1.0
---	--	--

In the eventuality that local regulations of one of the Countries in which Brugg operates may prove more restrictive than this Compliance Program, Brugg undertakes to comply with such regulations.


3. Abbreviations & definitions

The following definitions apply within the present document:

Attachment (s)	The Attachments to the Local Compliance Program
Areas at risk and / or Sensitive Activities	Brugg's activities that can event abstractly facilitate the commission of Crimes within the areas in which the Company is structured and organized, .
Business Partner	Third parties who carry out activities on behalf or in the interest of Brugg and / or the Group (by way of example, intermediaries, consultants, distributors, agents, etc.).
Brugg Kabel AG or Brugg or the Company	Brugg Kabel AG with registered office in Brugg, Industriestrasse 19 CH-5200.
Code of Ethics	The Company's Code of Ethics.
Board of Directors	The Board of Directors of Brugg.
Decree or Legislative Decree no. 231/01	Legislative Decree 8 June 2001, n. 231, providing " <i>Regulations governing the administrative liability of legal persons, companies and associations, including those without legal personality pursuant to Article 11 of Law no. 300 of 29 September 2000</i> "
Recipients	Employees, directors, supervisory bodies, however named, of Brugg, as well as all those who operate, in any capacity, in favor or on behalf of Brugg, such as suppliers, agents, consultants, commercial partners or any other counterpart ("Business Partner ").
Global Compliance Program	The Global Compliance Program adopted on 10 November 2017 by the Parent Company.

	Guideline Compliance Program	Q-03446-en Page 5 of 23 Version 1.0
---	--	--

Terna Group or Group	The set of companies that, directly or indirectly, control or are connected to the Company and / or the companies controlled by it or connected to it pursuant to the Reference Laws.
Reference Laws	The laws and regulatory provisions of Italy and Switzerland, as well as those of the countries in which the Company operates or may operate in the future, including those ratifying international conventions.
Guidelines	The applicable national or local guidelines.
Local Compliance Program or Compliance Program	The present document adopted by the Company by means of a resolution of the Board of Directors.
Procedures and / or Practices	The procedures adopted (or to be adopted in the future) by the Company and / or the consolidated behavioral practices, attached to the present Compliance Program.
Public Official	(i) any public official of any level, federal, state, provincial, municipal, or other type of level provided for by the relevant Laws; (ii) anyone exercising a public function (for example, legislative, administrative or judicial) or acting on behalf of any government agency, office or body; (iii) any public official of any level of a commercial company wholly or partially owned by the State; (iv) any person acting as a public official in the name or on behalf of any government or international organization, such as the International Monetary Fund, the European Union, the World Bank and other similar organizations; (v) political parties, representatives of political parties or candidates for public office; and (vi) any person responsible for a public service (ie, an activity which is regulated in the same way as a public function but which does not have the powers that are typically assigned to a public function).
Crimes	The crimes identified, among other things, pursuant to the legislation referred to by art. 102 of the Swiss Criminal Code and, in particular, crimes of criminal organization, financing of terrorism, money laundering, bribery of Swiss public officials and granting of advantages, bribery of foreign public officials and bribery of private individuals.
TERNA S.p.A. or Terna	Parent Company with registered office in Italy, Viale Egidio Galbani, 70 - 00156 Rome.

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 7 of 23 Version 1.0</p>
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4. Content

4.1 REGULATORY REFERENCES AND RESPONSIBILITIES

4.1.1 THE REGULATORY CONTEXT

In relation to its presence in different countries and jurisdictions around the world, Brugg is subject to compliance, as applicable, with the relevant laws including those ratifying international conventions:

- the "Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" signed in Paris on 17 December 1997;
- the "United Nations Convention against Corruption", adopted by the General Assembly on 31 October 2003 and entered into force internationally on 14 December 2005;
- the Swiss Criminal Code (art. 102);
- Legislative Decree no. 231 of 8 June 2001, containing "Regulations governing the administrative liability of legal persons, companies and associations, including those without legal personality pursuant to Article 11 of Law no. 300 of 29 September 2000" "Regulations governing the administrative liability of companies and entities";
- the "Foreign Corrupt Practices Act" (FCPA) issued in the United States in 1977;
- the UK Bribery Act enacted by the United Kingdom in 2010;
- as well as any other national or local regulation or provision that provides for a separate and independent liability for the entity in case of commission of a crime by a natural person in the interest or to the benefit of the entity to which it belongs.


In particular, with regard to anti-corruption legislation, usually Reference Laws:

- prohibit payments made both directly and indirectly as well as offers or promises of a payment or other benefit for corruption purposes to Public Officials or private parties, including payments made to anyone with the knowledge that such payment will be shared with a Public Official or private party;
- require companies to establish and maintain books, records and accounting records that accurately and correctly reflect transactions, expenses (even if not "significant" in accounting terms), acquisitions and disposals of assets in reasonable detail,

4.1.2 ROLES AND RESPONSIBILITIES

Violation of the Reference Laws can seriously damage the reputation of the Company or the Group and cause serious harm to the Company's activities, such as fines, disqualification from contracting with public bodies, confiscation of crime' profit, claims for damages.

Individuals responsible for the violation of Reference Laws may also be sentenced to imprisonment.

	<p>Guideline</p> <h2>Compliance Program</h2>	<p>Q-03446-en</p> <p>Page 8 of 23 Version 1.0</p>
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All Recipients of the Compliance Program are responsible, each to the extent of their competence, for compliance with it. In addition, individuals with supervisory and coordination responsibilities are responsible for monitoring compliance with the Compliance Program by their employees, promptly reporting any violations through dedicated channels (see Chapter 8 "Reports" below).

All Recipients are required to read, understand and fully comply with the present Compliance Program, which is available on Brugg's corporate website at <https://www.bruggcables.com/>.

In case of need of clarifications with respect to the content of the Compliance Program, including with respect to specific application methods and/or the relevant laws, Recipients may refer to the Compliance Officer.

4.2 GENERAL PRINCIPLES


It is forbidden to engage in, collaborate with or give cause to the implementation of conduct such that, taken individually or collectively, may directly or indirectly integrate a Crime provided for by the Relevant Laws. The principles and rules described in paragraph 4 must be observed in the performance of the areas at risk/sensitive activities described below.

In the performance of any activity, it is mandatory to:

- comply with all applicable laws and regulations;
- establish and maintain relations with counterparties according to criteria of maximum fairness and transparency;
- use financial resources exclusively in accordance with the management methods provided for by the internal rules and laws in force regarding financial transactions and restrictions on the use of cash;
- scrupulously comply with all legal and voluntary rules and regulations aimed at protecting health and safety and the environment.

In addition to the above and to the observing the Code of Ethics, Brugg undertakes to comply with the general principles set out below, to ensure an adequate internal control and risk management system:

- **Segregation of duties:** the performance of company activities must be based on the principle of separation of functions, so that the authorization of an operation must be under the responsibility of a person other than the person who operationally performs it and the person who controls it.
- **Assignment of powers:** authorisation and signature powers must be: i) consistent with the assigned organisational and management responsibilities; ii) clearly defined and known within the entity of reference. The corporate roles to which the power to engage the Company in certain operations is assigned must be defined, specifying their limits and nature.
- **Transparency and traceability of processes:** each activity must be verifiable, documented, consistent, appropriate and correctly archived.
- **Adequacy of internal controls, such as procedures and/or policies:** the set of internal controls must be consistent with the operations carried out and the level of organizational complexity and suitable to ensure the controls that are necessary in order to prevent the commission of Crimes.
- **Staff training:** specific staff training plans on the compliance provisions adopted by Brugg and the Group must be provided for, with particular reference to the personnel operating in the sensitive areas listed below.

	Guideline Compliance Program	Q-03446-en Page 9 of 23 Version 1.0
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The following control principles, which are described in detail within each risk/sensitive area, have been adopted in order to implement the abovementioned general principles,:

- **Existence of formalized procedures/guidelines:** Brugg has adopted internal rules and organizational documents that establish behavioural principles and define the operating procedures for the performance of individual activities. Such rules and organizational documents are characterized by a clear and comprehensive definition of roles and responsibilities and rules for the archiving of relevant documentation;
- **Ex-post traceability and verifiability of operations through adequate documentary and IT support:** the application of the controls provided for each individual activity is assisted by adequate records and the authorization, execution and control activities are always verifiable ex-post;
- **Segregation of duties:** in implementation of this principle, the management of company activities, , is authorised, performed and controlled by different parties even within the same Department or Function, in order to guarantee independence and objectivity of judgement and to avoid the mixing of potentially incompatible roles or excessive concentrations of responsibilities and powers for individual parties;
- **Existence of a system of delegation of powers consistent with the assigned organisational responsibilities:** the authorisation and signature powers defined by Brugg are
 - i) consistent with the assigned organizational and management responsibilities, providing, where required, for specific levels of authorization;
 - ii) clearly defined and known at all organizational levels.


In compliance with these principles, the Program provides that

- the assignment of tasks, assigned officially through the use of formal procedures, must be carried out in a clear and organic manner, avoiding overlapping responsibilities, especially when they involve spending commitments;
- the implementation of the organizational structure must be carried out guaranteeing the correspondence between the structure's model of representation and the practices concretely implemented;
- the power of representation in front of third parties must be formalized and adequately publicized;
- all documentation relating to the conferment, updating and revocation of delegations and powers of attorney must be correctly prepared and filed at the Human Resources Office of Brugg Kabel AG.

With respect to the areas at risk and/or sensitive activities described below, Brugg assessed the existence of a **system of proxies** consistent with the organizational responsibilities assigned, which is guaranteed by means of a system of expressly conferred powers duly registered with the competent Commercial Register Office.

In particular, the power of signature is exercised in accordance with the provisions of the "*Signatory authorization and assignment of responsibilities Q-01950-en*" and by the persons authorized according to the powers formalized in the current "*Registerauszug*".

These controls, aimed at preventing the risk of commission of the Offences that the Compliance Program aims to prevent, accompany compliance with the Code of Ethics, a general principle that cannot be derogated from by the Compliance Program.

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 10 of 23 Version 1.0</p>
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4.2.1 IN PARTICULAR: RULES OF CONDUCT TO PREVENT OFFENCES

As mentioned above, the purpose of this Compliance Program is to prevent and impede the commission of the Crimes identified, inter alia, in accordance with Article 102 of the Swiss Criminal Code and, in particular, the following Crimes:

- Criminal organization
- Terrorist financing
- Money laundering
- Bribery of Swiss public officials / Granting of benefits
- Bribery of foreign public officials
- Bribery of private individuals

4.2.1.1 Bribery of Swiss public officials, granting of advantages, bribery of foreign public officials and bribery of private individuals

Without prejudice to the definition of Public Official contained in the Definitions section, it is deemed necessary to underline that Public Official means, by way of indication:


- any public official of any level, federal, state, provincial, municipal, or other type of level provided for in the Reference Laws;
- any person exercising a public function (for example, legislative, administrative or judicial) or acting on behalf of any agency, office or governmental body;
- any person acting as a public official in the name of or on behalf of any government or international organization.

By way of example, with regard to corruptive crimes - and in line with the provisions of the Code of Ethics, provided that Brugg prohibits corruption without exception - it is prohibited to:

- offer, promise, give, pay, solicit, authorize someone to give or pay, directly or indirectly, including through a third party, an economic advantage or other benefit, to a Public Official or a private person (Active Bribery);
- accept a request from, or solicitation from, or authorize / solicit someone to accept, directly or indirectly, including through a third party, an economic advantage or other benefit from any other party (Passive Bribery);

in order to:

- a) to induce a Public Official to improperly perform any function of a public nature, or to reward him/her for having performed it;
- b) to influence an official act (or omission) by a Public Official or any decision in violation of an official duty;
- c) to induce any private party to omit or perform any act in breach of its official duties or loyalty obligations, or to reward it for doing so;
- d) obtain or secure an improper advantage in connection with the business activities;
- e) violate applicable laws.

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 11 of 23 Version 1.0</p>
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Prohibited conducts include the offering or receipt by Brugg's employees, directors or control bodies, however named, (direct bribery) or by anyone acting in Brugg's interest or on Brugg's behalf (indirect bribery) of an economic advantage or other benefit in connection with business activities, including in case of mere incitement that is not reflected in the finalization of the act of corruption. .

This prohibition is not limited to payments only, but also includes, by way of example, the following contexts:

- gifts, sponsorships and donations;
- entertainment and hospitality expenses towards third parties;
- supplies, professional assignments, employment or investment opportunities;
- more favourable business conditions;
- other advantages or benefits,

if aimed at a corruptive act.

Brugg prohibits so-called "*facilitation payments*", i.e. payments, benefits or other utilities to Public Officials, public service employees and/or Public Administration officials aimed at facilitating, speeding up or ensuring the taking of decisions and the performance of activities proper to the office held by them, such as, by way of example and without limitation:


- obtaining authorizations, eligibility, certifications, permits, other official documents or other types of authorizations necessary for the business;
- awarding public contracts, allocating disbursements and/or public funds, revoking negative measures and sanctions.

Such payments are prohibited regardless of whether they are permitted under the local laws of certain countries in which Brugg operates.

4.2.1.2 Money laundering

By way of example, with regard to money laundering offences - and in line with the provisions of the Code of Ethics - given that Brugg prohibits money laundering, the Recipients are obliged to

- limit cash transactions both in number and amount and carry out periodic treasury checks with respect to the thresholds for cash payments;
- verify the regularity of the payments, with reference to the full coincidence between the recipients/custodians of the payments and the counterparties actually involved in the transactions;
- verify, limited to their respective competence, that banking operations are subject to specific, adequate and periodic controls of bank connections, cash and bank balances and overdrafts;
- open and/or close bank current accounts only by virtue of authorisations from the competent function;
- carry out all banking operations in accordance with the provisions of internal policies;
- carry out all incoming and outgoing financial transactions (such as, for example, the issuance and repayment of loans, etc.) only towards persons that have been previously specifically identified;
- carry out formal and substantial controls of the Company's financial flows, with specific reference to payments to third parties and intra-group payments/transactions. These controls must take into account the registered office of the counterparty company (tax havens, countries at risk of

	Guideline Compliance Program	Q-03446-en Page 12 of 23 Version 1.0
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terrorism), the credit institutions used (existence of structures) and any screens and corporate structures used for extraordinary transactions or operations (assessed in court as an index of suspicious transactions for the purposes of anti-money laundering);

- make purchases of goods or services in compliance with the Company's internal and Group's policies and practices; purchase transactions must always be followed by the receipt of the appropriate tax and identity document between the person who provided the goods or services and the person receiving the payment.

4.2.1.3 Terrorism financing

Without prejudice to the provisions of paragraph 3.1.2 above, with particular reference to the activities carried out abroad by the Recipients, Brugg prohibits the promotion, establishment, organization, management, financing, even indirect, of associations aimed at committing acts of violence against people or things with the purpose of terrorism. In addition, Brugg prohibits the provision of shelter or hospitality, means of transport, communication tools to people who participate in subversive associations or with purposes of terrorism and subversion of public order.

4.2.1.4 Criminal organization

Brugg condemns all forms of criminal organization of national and transnational or international character. Consequently, it takes appropriate measures to prevent the risk of its or its employees' involvement in relationships and activities in any capacity and in any way, even in the form of mere assistance and help, with such organizations. To this end, Brugg does not establish any relationship of a working, collaborative or commercial nature with persons, whether natural or legal persons, directly or indirectly involved in criminal organizations or, in any case, linked by family ties and/or affinity with members of known criminal organizations. In addition, Brugg does not finance or, in any case, facilitate any activity related to such organizations.

4.3 AREAS AT RISK / SENSITIVE ACTIVITIES

The following paragraphs identify a series of Brugg's activities which may even abstractly facilitate the commission of Offences (so-called "areas at risk and/or sensitive activities"), defining the rules that Recipients must comply with in these areas. In this regard, please refer to the procedures adopted by the Company and attached to this document for any detailed provisions.


Recipients are required to promptly report to the Compliance Officer possible violations of the rules described below and, more generally, of the present Compliance Program as well as significant problems arising with a supplier, a customer or a business partner.

4.3.1 GIFTS, HOSPITALITY AND ENTERTAINMENT EXPENSES

Brugg undertakes to make or receive any gift, economic advantage or other benefit (including hospitality¹ treatments and entertainment expenses²) only if this is part of normal business courtesy and is such that it

¹ The term "**hospitality**" refers to meals, recreational activities (tickets or invitations to events), trips and overnight stays in hotels, and other forms of utility.

² The term "**entertainment expenses**" refers to expenses for the provision of goods and services free of charge for promotional or public relations purposes and the support of which meets criteria of reasonableness according to the

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 13 of 23 Version 1.0</p>
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does not compromise the integrity and reputation of either party and does not influence the recipient's autonomy of judgment.

Any gift, advantage or other benefit made by the Recipients, directly or indirectly, must have the following characteristics:

- it must not be motivated by an attempt to exercise unlawful influence (e.g. as a form of gift to third parties, public or private, that may influence the independence of judgment of the Recipient or induce him/her to secure any undue advantage) or by the expectation of reciprocity;
- must be reasonable and made in good faith;
- it must be performed in relation to legitimate business purposes and be of modest value;
- it must not consist of a sum of money (cash, cheques, transfers, etc.);
- must be in line with Anti-Corruption regulations, local laws and applicable regulations;
- it must comply with local laws and regulations applicable to the Public Official or private individual, including, where existing, the codes of conduct of the organizations or entities to which they belong;
- must be accurately and transparently recorded and supported by appropriate documentation;
- it must always be authorized by the position defined within the reference company rules.

A gift, financial advantage or other benefit, including hospitality treatment, is reasonable and in good faith when it is directly related to:

- i. the promotion, demonstration or illustration of products or services;
- ii. the performance of a contract;
- iii. the participation in training seminars or workshops;
- iv. the development and maintenance of cordial business relationships.

Any gift, advantage or other benefit received by the Recipients, directly or indirectly (e.g. also through family members), must comply with the following principles:

- it must be within the limits of normal conditions of courtesy and be of modest value;
- it must not be requested, demanded or accepted to perform or omit an act relating to the exercise of its functions.


In the event that Recipients receive offers of gifts, economic advantages or other benefits that cannot be considered as acts of commercial courtesy of modest value, they must reject them and report them as set out by paragraph 8 of the present Compliance Program.

For the economic limits and the type of gifts, hospitality and entertainment expenses and the related reporting procedures, please refer to the relevant procedures attached to this document.

4.3.2 LIBERAL DISBURSEMENTS

Brugg is committed to providing donations and other forms of gifts (in cash and/or through the provision of goods or services in support of, for example, projects of a scientific nature, support for research or training

objective of generating, even potentially, economic benefits for the company, or is consistent with business practices in the sector.

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 14 of 23 Version 1.0</p>
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and/or in support of humanitarian initiatives) in accordance with existing company procedures and applicable national and local regulations and guidelines.

Donations and liberalities must be made only in response to a written request from an external body (University Institutes, Foundations, Associations with non-profit scientific purposes) indicating: the reasons for the request, the intended use the contribution and the expected expenses.

Employees, directors or control bodies, however named, involved in the management of contributions and donations must refrain from accepting requests for disbursements against favors or benefits of any kind promised to the Company, the employee or third parties. At the same time, it is forbidden for the Recipients to propose contributions and donations in exchange for favours of any kind in the interest or to the benefit of Brugg, the Recipients or third parties.

Specifically:

- contributions must only be made in favour of reliable entities, assessed following due diligence checks, with an excellent reputation for honesty and fair business practices, in line with applicable regulations;
- the request for economic contribution by an entity must be spontaneous; it is forbidden for the Recipients to independently submit a proposal for economic contribution to an entity;
- repeated payments to the same beneficiaries must be avoided, unless proven requirements are met.

In addition, in relation to each disbursement of donations and liberalities:

- consistency with the approved budget must be respected;
- the approval process must be regulated with an adequate description of the nature and purpose of the individual initiative;
- a check must be made on potential conflicts of interest with respect to the initiative to be supported;
- the donation, if made in cash, must be made through authorized banks/financial intermediaries in order to ensure its traceability;
- the amount paid must be recorded in the books and accounting records in a correct, accurate and transparent manner;
- the documentation relating to the requests received from the entities and their management, the disbursement of payments and the delivery of the goods/services must be properly filed.


4.3.3 SPONSORSHIPS

Sponsorship activities take the form of contributions to an activity or event whose purpose is to promote both the image of Brugg and the Group, and the business activities of the Group itself.

Brugg is committed to providing sponsorship in accordance with applicable company procedures and the principles of economy, effectiveness, impartiality, equal treatment, transparency and proportionality.

Sponsorships may not be offered or paid out if they can be construed as intended to influence independent judgment or to obtain favorable treatment or improper benefits.

Sponsorships must meet the Group's needs and be managed in a manner that is fully appropriate and compatible with its image.

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 15 of 23 Version 1.0</p>
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In order to prevent them from being considered a disguised form of conferring a benefit to a third party to obtain an advantage for the Group, they must comply with the following principles:

- they must be carried out in accordance with the approved budget and be authorized in accordance with proxies and powers of attorney assigned within the Group;
- partners in sponsorship contracts must be known and reliable entities or individuals;
- the sponsorship approval process must be regulated and for the purposes of such approval there must be an adequate description of the nature and purpose of the individual initiative, an analysis of the potential partner in the sponsorship contract and verification of the legitimacy of the initiative under applicable laws;
- a review of potential conflicts of interest, personal or corporate, with respect to the initiative to be sponsored;
- the sponsorship agreement must be in writing and must contain:
 - the commitment of the counterparty to use the agreed sum exclusively for the purposes of the initiative;
 - an adequate description of the nature and purpose of the individual initiative, the consideration, terms and conditions of payment;
 - a clause for the counterparty to comply with the applicable regulations;
 - the right to terminate the contract, interrupt payments and receive compensation for damages in the event of a breach by the counterparty of the above obligations and declarations, or in the event of a breach of the anti-corruption commitments under the contract;
 - the amount paid in accordance with the sponsorship agreement must be recorded in the books and accounting records in a fair and transparent manner;
 - payments must be made only as specified in the sponsorship agreement, after having verified that the service has actually been provided;
 - the documentation relating to each sponsorship carried out must be archived, ensuring its traceability over time.

4.3.4 POLITICAL CONTRIBUTIONS


Political contributions may constitute, for example, a bribery offence because they could be used as an improper mean to maintain or obtain a business advantage, such as the awarding or a contract or obtaining financing, permission or licenses.

Brugg refrains from any direct or indirect pressure, through the Recipients, on political or trade union representatives and undertakes not to make contributions of any kind, directly or indirectly, to political parties, movements, committees and political and trade union organizations, nor to their representatives or candidates, excluding contributions due on the basis of specific regulations.

4.3.5 RELATIONS WITH PUBLIC AUTHORITIES

Brugg is committed to build relationships with Public Officials on principles of fairness, loyalty and maximum transparency, as well as compliance with applicable laws.

In the context of relations with Public Officials, it is not allowed to seek or establish favorable relations, nor influence or interference with the objective of influencing, directly or indirectly, their activities.

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 16 of 23 Version 1.0</p>
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It is forbidden to promise or offer to representatives of the Public Administration, money, goods or, grant economic advantages or utilities of any kind, in order to influence their activities in the performance of their duties.

The relationships in question must be managed only by persons appointed and authorised for such purpose, within the limits of the powers attributed to them by formal power of attorney or within the scope and limits of their roles and responsibilities.

Minutes/reports/explanatory notes must be drafted and correctly filed and archived in order to ensure the traceability of all relations with Public Officials . The minutes/reports/explanatory notes drafted must contain information that provides a complete and exhaustive representation of the event, such as:

- date and place of the meeting / contact;
- object and reason for the meeting;
- names and roles of all participants in the meeting;
- positions expressed on the topic discussed and conclusions.

The possible interactions with Public Officials concern, by way of simplification and not exhaustive:

- relations with Regulatory Authorities;
- relations with Public Officials in the context of customs compliance and related verification activities;
- request for administrative measures necessary for the start of construction, renovation and maintenance of buildings;
- relations with Patent Offices in the field of registration, management, consultation and renewal of trademarks and patents;
- relations with the competent tax, fiscal and corporate bodies also during audits, inspections, searches and assessments;
- relations with public financing bodies in order to obtain financing;
- negotiation, stipulation and management of contracts with Public Bodies;
- relations with the competent Bodies in the management of training and promotional events.


4.3.6 RELATIONS WITH THIRD PARTIES

4.3.6.1 RELATIONS WITH BUSINESS PARTNERS

Brugg may be held responsible for activities performed by its Business Partners, i.e. third parties who perform activities on behalf of or in the interest of Brugg and/or the Group (for example, intermediaries, consultants, distributors, agents, etc.).

The choice of Business Partners must be based on evaluations that allow to rely on counterparties of proven honesty, integrity, reliability. In particular:

- the selection process must be transparent and follow a specific approval process;
- due diligence checks, proportionate to the activity to be executed, must be carried out on potential Business Partners in order to verify their identity and the existence of any investigations or proceedings in progress for illegal or corrupt activities even potentially committed;

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 17 of 23 Version 1.0</p>
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- all agreements must be in writing and include a commitment by the parties to comply with the provisions of this Compliance Program;
- the consideration paid to Business Partners must be in line with market prices and/or in any case justifiable in the light of the service rendered and the specific expertise required; such consideration must correspond to that indicated in the written agreement;
- it is not permitted to pay sums of money after verifying that the service received corresponds to what has been agreed upon, unless the written agreement states the need for advance payment

4.3.6.2 RELATIONS WITH SUPPLIERS

Brugg is committed to seeking appropriate professionalism and commitment to share the principles and contents of the Code of Ethics from suppliers and external collaborators and promotes the construction of lasting relationships for the progressive improvement of performance in the protection and promotion of the principles and contents of the Code of Ethics.

Brugg prohibits the giving or promise of money or other benefits to an employee, director or control body, however named, or representative of a counterparty with whom Brugg and/or the Group has an interest in concluding a supply of goods or services in order to obtain an undue advantage (for example, an unjustified discount).


At the same time, any request or acceptance of money or other benefits by an employee, director or control body, however named, or representative of a counterparty in order to obtain an undue advantage in the conclusion of a supply is prohibited.

The choice of suppliers for the purchase of goods and services must be based on evaluations that allow to rely on suppliers of proven quality, integrity, reliability and cost-effectiveness. In particular, in the relationships of procurement, procurement and, in general, supply of goods and/or services:

- the selection process must be transparent and, within the limits established by company procedures, provide for competitive negotiation between several counterparties;
- the choices must be traced and the documents proving compliance with internal procedures and the purpose of the purchase must be adequately archived;
- the awarding of contracts must be fair and transparent and the roles and responsibilities of the main parties involved in this activity must be clearly identified;
- agreements with suppliers must be made in writing and must provide for the commitment to comply with the Code of Ethics and this Compliance Program and the express obligation to comply with the principles contained therein, depending on the contractual counterparts;
- the stipulation or continuation of any relationship must be interrupted if there are acts or suspicions of corrupt behaviour.

For each purchase transaction, it is necessary to verify and keep track with appropriate documentation:

- that the good/service rendered by the supplier corresponds to that requested and/or agreed upon;
- that the price paid to the supplier is in line with market prices and/or in any case justifiable in the light of the service rendered and the specific expertise required.

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 18 of 23 Version 1.0</p>
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It is not permitted to pay sums of money before verifying that the good/service received from the supplier corresponds to what has been agreed upon, unless it appears in the written agreement that the service requires an advance payment.

The purchase of goods and services must be carried out by authorized persons under the spending powers defined by the power of attorney system and the specific amount limits therein.

As specified below, if payments are to be made to a person other than the contractual partner and/or in a third country other than that of the parties or in a country other than that of execution of the contract, the approval of the Compliance Officer must be obtained.

It is prohibited to make payments to suppliers that are not adequately justified in the context of the contractual relationship established with them.

4.3.6.3 RELATIONS WITH CLIENTS

Brugg pursues its business success in the markets by offering quality products and services at competitive conditions and in compliance with all the rules of fair competition.

Brugg recognizes that the appreciation of those who request products or services is of primary importance to its business success. Trade policies are designed to ensure the quality of goods and services, as well as safety and compliance with the precautionary principle. Recipients are therefore obliged to observe internal procedures for managing relations with customers; to provide, efficiently and courteously, within the limits of contractual provisions, high quality products that meet the reasonable expectations and needs of customers; to provide accurate and comprehensive information on products and services and to follow the truth in advertising or other communications, so that customers can make informed decisions.

Brugg also prohibits the giving or promise of money or other benefits to customers (account/tertiary, wholesalers and intermediary distributors) with the intent to make a sale on particularly advantageous terms.


It is also forbidden to give or promise money or other forms of benefit to persons in charge of inspections or visits by customers with the intention of influencing the outcome of the inspection in case of findings on production methods or failure to comply with contractual agreements.

It is also forbidden to request or accept money or other benefits in order to apply conditions, not justified by the contractual relationship, for the benefit of certain customers.

4.3.7 BOOKKEEPING AND MANAGEMENT OF FINANCIAL FLOWS

Each Recipient and, in particular, the Administration, Finance and Control Area, in so far as it falls within its competence and in relation to the tasks assigned to it, is required to provide maximum cooperation so that the management events are correctly and promptly represented in the company's accounts and to keep all supporting documentation, so that it can be easily found and consulted by the persons entitled to control.

Brugg guarantees that each transaction/transaction is authorized, verifiable, legitimate, consistent, consistent, and is correctly and promptly recorded/recorded in the company's accounting system according to the criteria indicated by law and on the basis of applicable accounting principles.

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 19 of 23 Version 1.0</p>
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All Recipients must comply with the legal, regulatory and procedural provisions on corporate accounting and must keep detailed and complete accounting records of each business transaction. It is forbidden to engage in conduct that may prejudice the transparency and traceability of financial statement information.

All costs and charges, revenues and receipts, income, payments and expense commitments must be entered in the financial information in a timely manner, in a complete and accurate manner and have adequate supporting documents.


A system of internal controls in relation to financial information shall be established to provide reasonable assurance that the risk of occurrence is reduced to a significantly low level and that inaccurate accounting records in amount, caused by error or fraud, are not identified in a timely manner.

Brugg, with reference to both incoming and outgoing flows, ensures compliance with the following principles:

- make payments within the limits of an authorized budget on the basis of internally defined powers;
- to use only authorized operators who certify that they are equipped with manual and computerized and/or telematic devices to prevent illicit corruptive phenomena and money laundering;
- implement adequate instruments for the planning of income and expenditure as well as periodic reports to verify the consistency between what has been planned and what has been achieved;
- carry out checks on the counterparties to which the payments are directed to verify the full correspondence between the name of the supplier/customer and the header of the account to which the payment is sent/accepted;
- ensure that financial transactions are always authorized by persons with adequate powers and support each financial transaction with adequate supporting documentation;
- ensure that transactions involving the use or use of economic resources (acquisition, management, transfer of money and values) or financial resources are always marked with an express reason, documented and recorded in accordance with the principles of correct management and accounting;
- to ensure that the cash fund maintains the defined level of stock and that expenditures are supported by suitable evidence;
- provide for periodic checks on the cash balances in order to make the movements that have occurred traceable and reconstructible.

This Compliance Program also prohibits:

- the performance of transactions with unrecorded counterparties or on the basis of incomplete information (e.g. in the absence of identification data);
- to acquire incoming payments in lack of adequate supporting documentation (e.g. no sales invoice);
- to accept collections from non-identifiable persons (name/denomination, address and account number);
- to adopt payment methods that are anomalous with respect to the nature of the operations or split payments in a manner that is not in line with what is contractually agreed upon;
- to make payments in countries other than that in which the supplier has established its registered office or operational and commercial branch;
- to make payments to third parties that are not adequately justified in the context of the contractual relationship established with them;

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 20 of 23 Version 1.0</p>
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- to use cash in excess of the amount permitted by applicable laws or other bearer financial instruments, as well as anonymous or fictitiously registered current accounts or savings books.

4.3.8 HUMAN RESOURCES

People are an indispensable element for the existence of the company. The dedication and professionalism of management and employees are decisive values and conditions for achieving Brugg's objectives.

Brugg is committed to developing the skills and competencies of management and employees so that individuals can fully express their energy and creativity in their work performance in order to realize their potential, and to safeguard working conditions both by protecting the psycho-physical integrity of the employee and by respecting his or her dignity.

Illegal conditioning or undue hardship are not allowed and working conditions that allow the development of the personality and professionalism of the person are promoted. Brugg is committed to offering, in full compliance with the relevant legal and contractual regulations, to all workers the same work opportunities, ensuring that everyone can enjoy a fair regulatory treatment and remuneration based solely on criteria of merit and competence, without any discrimination.

Brugg regulates the process of hiring and managing personnel in order to ensure that operational activities are carried out in accordance with the principles of professionalism, transparency and fairness, in compliance with the applicable laws and regulations.

The process of personnel selection and recruitment is managed according to the following principles:

- the need for recruitment must be proven by specific plans or contingent needs authorized by persons with the relevant power;
- candidates must be assessed by several separate persons and the results of the entire assessment process must be adequately traced;
- checks must be made to ensure that the proposed qualification is consistent with the position to be filled;
- there must be checks on the candidates' references and previous professional experience, including, during the selection phase, questions regarding any personal or economic relationships with representatives of the Institutions that must be evaluated internally, if present;
- compliance with the laws of the country in which the hiring takes place must be guaranteed (e.g. with regard to compulsory hiring, presence and validity of residence permits, etc.).

Brugg prohibits the hiring of employees and collaborators upon specific notification by third parties, in exchange for favors, compensation or other advantages for Brugg and/or the Group.

Personnel travel expenses must be summarized in an expense report, with analytical reimbursement, approved by the head of the relevant department, and reimbursed after verification of validity and consistency with the types of expenses and the maximum amounts provided for in the relevant company procedures.

As part of the personnel management process, the competent functions must:

- adopt in any case criteria of merit and competence (and in any case strictly professional) for any decision relating to human resources;
- in any case, select, hire, train, pay and manage human resources without discrimination;
- create a work environment in which personal characteristics or orientations cannot give rise to discrimination and which is able to promote the peace of mind of all Brugg employees and/or collaborators;
- collaborate, at all levels, to maintain a climate of mutual respect for each other's dignity, honor and reputation in the company.

Brugg will take action to prevent abusive, discriminatory or defamatory interpersonal attitudes. To this effect, non-work related behaviors that are particularly offensive to civil sensitivity are also considered relevant. In any case, conduct that constitutes physical or moral violence is prohibited without exception.

4.4 COMPLIANCE PROGRAM APPLICATION TOOLS


Brugg is committed to promoting and maintaining an adequate internal control and risk management system, adopting and implementing all the tools necessary to direct, manage and verify business activities with the aim of ensuring compliance with laws and company procedures, protecting company assets, managing activities optimally and efficiently and providing accurate and complete accounting and financial data, also ensuring a proper process of identification, measurement, management and monitoring of the main business risks.

The responsibility for implementing an effective internal control and risk management system is common to all levels of Brugg's organizational structure; consequently, all Recipients, within the scope of their functions and responsibilities, are committed to defining and actively participating in the proper functioning of the internal control and risk management system.

Brugg promotes the dissemination at all levels of a culture and procedures characterized by the awareness of the existence of controls and by the assumption of a mentality oriented towards the conscious and voluntary exercise of controls; consequently, first and foremost management and, in any case all Recipients are required to contribute to and participate in Brugg's internal control and risk management system, with a positive attitude, to the participation of their collaborators.

Everyone is the responsible custodian of the assigned company assets (tangible and intangible) that are instrumental to the activity carried out; no employee may make, or allow others to make, improper use of the assigned assets and resources of Brugg. Practices and attitudes that can be traced back to the perpetration or participation in the perpetration of fraud are prohibited without exception.

The control and supervisory bodies, or whatever they may be called, the Compliance Officer and the appointed auditing firms have free access to data, documentation and information useful for carrying out their duties.

	Guideline Compliance Program	Q-03446-en Page 22 of 23 Version 1.0
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4.5 CONFLICT OF INTEREST

The conflict between personal interest and that of the Company manifests itself when a behavior or decision in the course of one's work can generate an immediate or deferred advantage for oneself, one's family members or acquaintances, to the detriment of the Company's interest.

Referring for any further details to the provisions of the Code of Ethics, please note that the following general rules must be followed in any case:

- with regard to the particular case of gifts or other forms of gift, there are some that are part of normal business practices or courtesy, while others exceed this limit and may be aimed at acquiring favourable treatment in business relationships. Brugg requires its employees to refuse gifts that exceed a modest value or are a source of doubt as to their suitability.
- Cases of first-degree family members employed by suppliers, customers, competitors of Brugg or industry authorities should be reported when their business or function may have a bearing on Brugg. Instead, directors shall report updates to their positions.

4.6 TRAINING AND INFORMATION

Brugg is committed to promoting the communication of this Compliance Program in the most appropriate manner to all Recipients, as well as to implementing specific training programs in the area of compliance, in order to ensure effective knowledge of the Program.

Recruits are given a copy of the Compliance Program - which can also be found on the Internet/intranet page at the following link - and are given a declaration of commitment to the principles it contains.


In order to disseminate adequate knowledge of the content of this document and the importance of compliance with it and the applicable laws, Brugg requires all employees, directors and control bodies, however named, to carry out a periodic training program in the area of mandatory compliance with a different degree of detail established in relation to the qualification and the different level of their involvement in sensitive activities, in order to disseminate the principles, commitments and methods of implementation of the Compliance Program.

This document is also brought to the attention of all those who have contractual relations with Brugg and is available to all stakeholders on the Company's institutional website at <https://www.bruggcables.com/>.

4.7 REPORTS

In accordance with the whistleblowing policy attached to the present document, all Recipients are required to report attempted, alleged or actual crimes of which they are aware and any other violations of the relevant Laws and/or the Compliance Program by employees of Brugg and/or the Group, collaborators or third parties working for or on behalf of Brugg and/or the Group.

In order to facilitate the receipt of reports, the Group has set up a dedicated email address: <https://whistleblowing.terna.it/> as well as the possibility to send an email to the Compliance Officer: albert.weibel@bruggcables.com.

	<p>Guideline</p> <p>Compliance Program</p>	<p>Q-03446-en</p> <p>Page 23 of 23 Version 1.0</p>
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Failure by an employee to report a known or suspected wrongdoing of which he or she has become aware will, in itself, subject the employee to possible disciplinary action.

The confidentiality of the identity of the whistleblower is in all cases assured, without prejudice to legal obligations and the protection of the rights of the Company or the accused, in cases of intent or gross negligence.

The Group guarantees the protection of whistleblowers against any form, direct or indirect, of retaliation, discrimination or penalisation (application of sanctions, demotion, dismissal, transfer or submission to another organisational measure having negative effects, direct or indirect, on working conditions) for reasons connected, directly or indirectly, to the report.

4.8 SANCTIONING SYSTEM

Brugg will use all reasonable efforts to prevent any conduct that violates the applicable laws and/or this Compliance Program and to stop and sanction any contrary conduct by any Recipient.

Anyone who unreasonably fails to detect or report violations or who threatens or retaliates against others who report violations will be subject to disciplinary action commensurate with the seriousness of the violation (including sanctions under the applicable national laws and, including potential termination of employment). As for third parties, the abovementioned behaviour will determineterminermination of the existing contract, assignment or relationship and, where appropriate, a claim for damages or other measures deemed appropriate.

No Recipient will be discriminated against or in any way dismissed, demoted, suspended, threatened or harassed in any way in the course of their employment, on the grounds that they have lawfully engaged in bona fide reporting activities relating to compliance with the Compliance Program and/or applicable laws.

For any further details, please refer to the Brugg disciplinary system and the relevant Swiss legislation.