

# Swiss4net Holding AG

## Anti-bribery & Fraud Prevention Policy

### 1. Compliance & Purpose

#### a. ISSUES

**Bribery** is the act of soliciting, giving or accepting, whether directly or through intermediaries, a commission or an improper advantage in exchange of a service or an advantage. Bribery can take various forms, including monetary payments or receiving/giving anything of value. In some cases, it can include gifts or hospitality.

The damages caused by bribery are often neglected. Still, by wrongly benefiting a few individuals who abuse their power or position, it creates unfair competition, hinders innovation and undermines integrity.

Bribery can be active or passive:

- **Active bribery** is the offence committed by the person who promises or gives, whether directly or through intermediaries, any improper advantage to a third party, for this third party or for someone else, in order to get something done from him/her.
- **Passive bribery** is the offence committed by the person who receives the bribe, for himself or for someone else.

**Bribery can target public or private officials.** Public officials include “civil and public servants, employees and holders of public office in the executive and legislative branches, whether elected or appointed” (definition from the OECD Principles for Transparency and Integrity in Lobbying, 2010).

The OECD “Convention on combating bribery of foreign public officials in international business transactions” establishes legally binding standards to criminalise bribery of foreign public officials in international business transactions.

**Bribery is considered as illegal in most countries.** Swiss4net Holding AG business operations have to comply not only with the regulations of the countries in which they occur, namely Switzerland, but also with the regulations of some other countries, like for example the United States or the United-Kingdom.

**The Foreign Corrupt Practice Act (FCPA, 1977) in the United States** is one of the most restrictive and strict laws in the world, and it can have wide impact. The Act was modified in 1998 so that the FCPA’s anti-bribery provisions have **extraterritorial jurisdiction**, meaning that:

*The FCPA applies to any person who commits acts while in the territory of the United States and to any US citizen and any US legal entity (“domestic concern”) who commits acts outside the United States in order to accomplish forbidden objectives.*

Similarly, a very strict law exists in the United-Kingdom, the **UK Bribery Act (2010)**. **Extraterritorial jurisdiction also forms part of this Act.** The practices of a company fall under this law whenever the company has close connections with the UK, like for instance its headquarters, or if some of its offices / operations, even partial, are located in the UK.

Swiss4net Holding AG shareholders comply with these laws for their own business operations, and therefore expect their subsidiaries, including Baden Fibre Networks AG and Ticino Fibre Networks SA (together "Swiss4net"), to comply with them too. It is therefore important for Swiss4net to protect itself against bribery risks, by setting up an anti-bribery policy, which applies to all Swiss4net employees.

## b. RISKS

Bribery can involve relationships with private business partners as well as public officials, government representatives or local authorities.

**In Switzerland, bribery is illegal** and the **sanctions may** apply both to:

- The **company** involved (legal entity),
- The **individuals** who originated the bribe.

The offences of bribery of public officials and bribery in the private sector are codified in the Swiss Criminal Code (Articles 322<sup>ter</sup> to 322<sup>decies</sup>). The offence of private commercial bribery in the context of the distortion of competition is codified in Article 4a of the Act against Unfair Practices.

Switzerland is a signatory to three international anti-corruption conventions:

- The 34 Organisation for Economic Cooperation and Development (OECD) nations and Argentina, Brazil, Bulgaria, Russia, Colombia, Latvia and South Africa have signed the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions 1997. Signatory states have amended their legislation to make the bribery of foreign public officials a punishable offence. A far-reaching monitoring program established under the convention ensures that its provisions are enacted and enforced in all signatory states.
- In 1999 the Criminal Law Convention on corruption was passed under the auspices of the Council of Europe. The convention's substantive provisions go beyond the OECD convention in so far as they prescribe the general minimum requirements for criminal law provisions required to fight private and public corruption. Switzerland acceded to the Criminal Law Convention and its 2003 Additional Protocol (both ratified on March 31 2006) and joined the Council of Europe's Group of States against Corruption in 2006.
- The UN Convention against corruption was signed by more than 140 countries, including Switzerland, in December 2003 and came into force in 2005. It differs from the OECD and Council of Europe conventions due to its universal nature and the inclusion of provisions requiring the restitution of funds acquired through illegal and corrupt practices. The UN Convention was ratified by Switzerland in September 2009.

## c. SWISS4NET HOLDING AG STRATEGY

Swiss4net has defined a **code of conduct** which describes fundamental principles to combat bribery.

The **rules presented in Chapter 3 hereafter** enable each Swiss4net employee to comply with the current regulations. They apply globally to the managers and employees from Swiss4net and its subsidiaries. They also apply to consultants and other third parties who work on behalf of Swiss4net, as well as suppliers, partners, and other entities involved.

Finally, **in case of a question or need for assistance** on compliance or how to implement a specific rule originating from the anti-bribery policy, an employee can ask his/her manager or liaise with Arcus' Compliance team.

## 2. Swiss4net Principle

Swiss4net Holding AG does not tolerate any bribery act (zero tolerance approach). No business deal in Switzerland or in a foreign country, whatever it may be, can ever justify putting the reputation of Swiss4net Holding AG, its subsidiaries, its shareholders and its employees at risk.

Bribery is against the Law and against everything we stand for.

The policies described hereafter explain in detail how to act on behalf of Swiss4net with the utmost honesty and integrity. They specify clearly and concisely what is allowed and what is forbidden. It is a guide designed to help each employee conduct his/her activities (sales, purchasing, etc.) in full compliance with all legal and regulatory requirements, as well as Swiss4net's ethical principles.

These policies apply to Swiss4net Holding AG and all of its subsidiaries (the "Group" or "Swiss4net").

## 3. Anti-Bribery Policies

### a. GIFTS, HOSPITALITY & ENTERTAINMENT SERVICES

**Gifts** are advantages of all sorts which are offered as a sign of recognition, in order to build or keep good relationships with professional partners. They can be offered on specific occasions, like for example during the year's end celebrations, for a wedding, etc.

**Hospitality** generally includes beverages, meals, and accommodation.

**Entertainment** generally includes invitations to cultural shows, concerts, or sporting events.

For any gift offered or service provided which deals with hospitality or entertainment, the following rules apply to Group companies:

- The gift or service offered is **not aimed to obtain an improper advantage**.
- The gift or service offered is **permitted by the Law**.
- It is **appropriate to the business relationship**.
- It must be **occasional and infrequent**.
- The **manager is systematically informed** about this gift / service, **if possible beforehand**.

Moreover, the gift is **reasonable in value, appropriate to the beneficiary, to the circumstances and occasion**. The circumstances and the value of the gift or service provided must not create an appearance of bad faith or impropriety and should not reasonably be misunderstood by the beneficiary as a bribe, even later on.

There is increased sensitivity and scrutiny of dealings with public officials because this has traditionally been an area where bribery activity is more likely to occur. It is therefore important that employees be cognizant of these risks in their dealings and interactions with public officials and consider how their actions may be viewed. For example, payments to close relatives of public officials may be treated by enforcement authorities as direct payments to the public officials and, therefore, may constitute violations of law.

Offering gifts is prohibited over anticipated or pending decisions, such as: calls for tenders, granting of authorisations, signing of sales contracts, changes in legislation or regulations, particularly if the beneficiary has direct or indirect decision-making responsibility.

**Offering or receiving money in cash is forbidden.**

#### **b. FACILITATION PAYMENTS**

Facilitation payments are small amounts generally paid to public agents to facilitate or speed up routine public actions, like issuing authorisations, licenses, permits, or clearing goods.

**Swiss4net prohibits facilitation payments.** This policy applies also when local laws allow such payments.

#### **c. LOBBYING**

Lobbying is the oral or written communication with a public official to influence legislation, policy or administrative decisions (Definition from the Principles for Transparency and Integrity in Lobbying, OECD, 2010).

**Employees should not engage in lobbying activities on behalf of Swiss4net companies without the prior written approval of the Managing Director or managers designated to approve such activities.**

#### **d. POLITICAL DONATIONS & CHARITABLE DONATIONS**

Swiss4net does not make company political contributions in any form.

In the case of a charity, donations are authorized only if:

- The company clearly posts its commitment in this charity,
- This donation does not aim to influence some official action or gain an undue advantage.

In case an employee is being asked to contribute to a charity, he/she needs to ask previously for the approval of Swiss4net Managing Director.

**Payments on personal bank accounts or made in cash are prohibited.**

#### **e. AGENTS, CONTRACTORS & SUPPLIERS**

**Resorting to intermediaries must be as far as possible avoided.** When it is however necessary to recruit, pay, or work with an intermediary, the person in charge should:

Have **serious and documented reasons**,

- Take the necessary measures to **obtain information on the intermediary before entrusting him to do the work**,
- **Control the intermediary while he / she carries out the service**, and avoid any inappropriate behavior,
- **React adequately** to any sign which could indicate some inappropriate behavior,
- **Ensure that the service carried out by the intermediary is real** and answers Swiss4net or its subsidiaries' specifications,
- **Ensure that the price of the service is not higher than the prices usually applied in the market.**

Anti-bribery clauses validated by an internal legal adviser must be specified in the agreements with these intermediaries.

#### f. RECORD-KEEPING & ACCURATE RECORDING

**All transactions on behalf of Swiss4net or its subsidiaries must be transparent, documented, and coded to company accounts which accurately reflect their nature.** These sales recordings (accounts, invoices, email or paper correspondence...) must be sufficiently detailed so that the purpose and amount of any such payment are clear and explicit.

**No false, misleading or artificial entries should never be made in the books and records of Swiss4net or its subsidiaries for any reason.**

#### g. ACQUISITIONS, JOINT-VENTURES & MINORITY INTERESTS

Swiss4net companies' may be involved in acquiring companies, making minority investments and seeking strategic partnerships. In addition to economic valuation, Swiss4net must also look at other relevant business aspects including any exposure to criminal liability.

Strategic partners, agents, suppliers are not allowed to pay bribes on behalf of Swiss4net companies. Partners who do not have a zero-tolerance approach towards bribery should be disregarded.

**A due diligence procedure must be implemented** with every new partner in order notably to establish its anti-bribery references. An investigation on its reputation and its business conduct in the past can also be carried out. Anti-bribery clauses validated by an internal or external legal adviser must be specified in the agreements with these partners.

## 4. Fraud Prevention Policies

### a. PURPOSE

The Board of Swiss4net Holding AG recognises that, like any other company, the Group faces the risk of fraud. The risks of fraud include the following: strategic risks, risks of damage to image and reputation, economic and financial risks, and risks to internal cohesiveness.

This section sets forth the fundamental principles that apply to the Group with respect to the prevention of fraud. These principles apply to all Group companies.

### b. FUNDAMENTAL PRINCIPLES

**"Zero tolerance"**. Local customs, needs, profits or benefits received or expected can never justify the use of fraudulent practices.

**The Group is committed to preventing fraud** that may originate from its employees or third parties (partners, suppliers, clients, etc.).

In the event of fraud or attempted fraud, **any useful investigations will be undertaken and carried out to their conclusion. Appropriate decisions will be made** in order to protect the Group's interests.

**The Group periodically tests the relevance and effectiveness of the methods it has put in place to fight against fraud.** Fraud prevention methods put in place so far include, inter alia, 4-eye principle of approving financial transaction as also in e-banking authorised and cyber security measures as described in the Information Security and Cybersecurity Policy.

### c. ROLES AND RESPONSIBILITIES

**Each employee is responsible for acting with integrity** in the use of the assets and resources of the Group, for complying with applicable laws and regulations, and for protecting the interests of the Group, irrespective of their hierarchical level or position.

Where applicable and with respect to the activities that are delegated to him or her, **each manager is responsible for preventing fraud. All managers must exhibit exemplary and motivational behavior in the implementation and compliance with the fraud prevention policy.** They should encourage honesty and good judgment. They are expected to take the necessary measures regarding the organization of labor in order to secure sensitive processes. A manager who has questions regarding his or her responsibility with respect to fraud prevention has a duty to consult with his or her hierarchical superior to solicit an opinion.

### d. TRAINING

**Necessary and adapted training on fraud prevention is organized and provided during the course of each year based on the position of the employees of the Group within the organization,** in order to develop the skills required to understand, detect and prevent fraud.

Direction and oversight of the management of fraud prevention is the responsibility of the Board which has delegated day-to-day management responsibility to the Managing Director of Swiss4net who shall report back to the Board on a regular basis.

Any breach of this policy will be regarded as a serious matter by Swiss4net and is likely to result in disciplinary action, up to and including dismissal with or without notice.

This policy applies to all Swiss4net companies. This policy and these arrangements will be reviewed at least annually.