

COMPLIANCE GUIDE (Code of Conduct) of SGEN

version June 14, 2016

General, Scope of Policy

1. The purpose of SGEN, the Association “*Schweizerische Gesellschaft für Energie- und Netzforschung*”, is to support the Joint Research Centre “FEN” at the ETH of Zurich for their practical research in the area of production, transmission and distribution of energy with the main focus regarding the electricity grids.
2. The representatives of the members of SGEN are acting in the interest of SGEN (and not in the interest of their respective employer having nominated them into the body, as the case may be).
3. SGEN has adopted this Compliance Guide (“Guide”) by resolution of 10th of June 2014. SGEN shall ensure that its members and their representatives comply with this Guide.

This Guide is intended for the authorized representatives (“Representatives”) of the Members of SGEN (hereinafter the “Members”) that participate at discussions and at the meetings that are held. **Each of the Members warrants that he/she has carefully read this Guide and acknowledges that by signing the present Guide, he/she agrees to fully comply with its terms and conditions.** In case of doubts about the implementation of this Guide or on the meaning of some of its terms, prohibitions or recommendations, the Members and their Representatives shall consult with their respective legal counsel or the legal counsel of SGEN.

I. APPLICABLE RULES SUMMARY

Discussions between Members and their Representatives and subsequent exchanges of information may give rise to antitrust risks, in particular if such exchange of information allows, directly or indirectly, the Members and their Representatives to set up a cartel or more generally to coordinate their competitive behaviors in order to restrict competition.

This is why it is essential that each Member and their Representatives remain extremely attentive and warrant a strict compliance with the rules stated below, as any breach of these rules is likely to expose Members and their Representatives that are responsible for such breach, **either in an active or passive way (i.e. by merely agreeing to decisions or orientations taken by other Members or their Representatives), to serious sanctions.**

The rules laid down by competition law must be complied with during the discussions and the meetings organized by SGEN.

Under Swiss and international laws, agreements, decisions by associations or undertakings or concerted practices between undertakings, which may have an effect on the Swiss or other relevant markets and which have the object or effect of retaining, restricting or distorting competition, are prohibited; this is the case in particular of any agreement that:

- fix purchase prices, selling prices or any other trading conditions, limit or control production, markets, technical developments or investments;
- share markets or sources of supply;
- limit the access to the market by another undertaking (competitor or trading partner).

As a consequence, and unless with respect to the matters described below and within the limits mentioned below, **the Members and their Representatives shall not at any time exchange sensitive information** that is likely to allow them to coordinate their behaviors within sectors where they

are currently competitors or likely to become ones in the future. In particular, Members and their Representatives shall refrain from:

- discussing among themselves of any subject that does not directly relate to the topic of the respective SGEN meeting;
- more generally, exchanging commercially sensitive information or any piece of information that may have an impact on the commercial policy of each Member and an influence on a Member's competitive intent towards each other.

From a general standpoint, commercially sensitive information is a piece of information that **is confidential and is likely to allow a competitor either to learn about the behavior of one of its competitors on the market or to predict it.** The consequence is a reduction of both the competition and the uncertainty which characterize all trading relationships in a competitive market. The table provided below states for illustrative purposes, the main categories of information that are likely to constitute "sensitive information". **This table does not pretend to be comprehensive** and any Representative shall consult with his/her legal counsel in case of doubt about the content of his/her remarks or any discussions held as part of a meeting organized by SGEN.

INFORMATION CONSIDERED AS SENSITIVE AND WHOSE EXCHANGE IS LIKELY TO CONSTITUTE A BREACH OF COMPETITION LAW	INFORMATION WHOSE EXCHANGE IS NOT LIKELY TO CONSTITUTE A BREACH OF COMPETITION LAW
<ul style="list-style-type: none"> • Any information that relates to the commercial policy of the parties, their behavior on the market, their competitive position or their strategy. • Any new confidential information that is likely to give the recipient a significant competitive edge – such as information on trading problems encountered. • Any piece of specific information regarding the market, including but not limited to information regarding clients, deals or any other information likely to significantly reduce the uncertainty of the undertakings that operate on the market and to facilitate the adoption of a common course of conduct. • Any information on the pricing policy of one of the parties, including in particular: <ol style="list-style-type: none"> 1) Data on production and/or supply costs or other important costs; 2) Costs borne by clients; 3) Rebates; 4) Specific invoicing and payment terms arrangements; 5) Margins; 6) Pricing strategies specific to some clients and price levels; 7) Pricing negotiations; 8) Current prices and recent/future changes thereof. • Any piece of information on the parties development strategy or their (current or future) strategic decisions such as for 	<ul style="list-style-type: none"> • Public information. Competition authorities consider as public a piece of information that is generally accessible by all the competitors and the clients in similar conditions. Any data that is too difficult or too expensive to get does not constitute public information. • Purely historical information. Purely historical information means a piece of information that is no longer relevant for the current or future commercial policy of the undertaking or its competitive environment and that does not allow the identification of the individual strategy of the competitors. It is generally considered that such a situation occurs when the piece of information involved is more than 5 years old; this time period may nonetheless be longer in certain sectors and shall be verified on a case by case basis. • Information that is disclosed in aggregated form, in such a way that none of the recipients is able to identify to which operator they relate, it being specified that such aggregation of individual and confidential data can only be made by an independent third party supplier subject to strict confidentiality obligations. • General information on industrial practices, the market major trends, the market general conditions or development, insofar as no data relating to a particular undertaking is disclosed.

<p>example :</p> <ul style="list-style-type: none"> - Supply strategy; - Plans to build/close plants, use of industrial capacity rates; - exclusive agreements; - future markets and investments. 	
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In case of doubts about the meaning or the implementation of the terms here-above, it is highly recommended to any of the Members and their Representatives to consult with their legal counsel.

II. RECOMMENDATIONS

During the meetings of SGEN that will take place and the communications that will occur between the Members and their Representatives, the following points need to be adhered to:

- At the beginning of every meeting the chairman shall mention the one-page version (Antitrust Guidelines for SGEN Meetings) and ensure that they have read and understood the compliance regulations documented on SGEN/FEN Homepage, and that they follow the guidelines accordingly. It has to be clear to every member that a violation means to leave SGEN with immediate effect.
A document with name signatures, as confirmation that every member of the SGEN executive committee read and acknowledged the code of conduct, shall be kept on file.
- An official invitation and detailed agenda shall be prepared and disclosed to the Members and their Representatives prior to each meeting; the agenda shall be as detailed as necessary to enable the invitees to understand what will be the subject matter (individual topics) of the meeting and to assess whether there could be an Antitrust issue.
- Any document disclosed during the meetings (reports, studies and any other paper document whatever its form as well as slides displayed through a rear-projector, etc.) shall comply with the rules provided in section I herein and consequently shall not include any commercially sensitive information.
- The meeting shall strictly comply with the agreed agenda and the discussions shall be limited to the items included in the agenda. However, should one or several participants to the meeting derive from the agenda and begin mentioning commercially sensitive information, the meeting chairman, secretary and/or the other participants shall immediately put an end to the meeting and the minutes of the meeting shall mention this incident and explain the reasons behind such incident. It pertains to each Member and their Representatives to confirm in a definite and unambiguous manner that any commercially sensitive information disclosed will not be used.
- **Confidential information** of all parties is being respected. No Member or their Representatives will be encouraged or compelled to share confidential information.
- The Members and their Representatives recognize that **Intellectual Property Rights** constitute a valuable company asset and therefore respect the Intellectual Property Rights of other Members.
- The minutes of the meeting shall state the identity of all the participants and shall exactly reflect the content of the discussions and of the proposals made during such meeting.
- Communications regarding the meeting whether done by email or by mail shall be strictly limited to the persons that are part of SGEN.

- In case of doubt, each Member and their Representative shall with respect to any question or opinion consult with their company legal counsel.

III. Sponsoring, Gifts, Entertainment and Expenses

- In case an event of SGEN, such as a meeting or a social event, is sponsored by one of the Members or a third party, SGEN has to ensure that this sponsorship does not influence the content of the meeting or social event.
- With respect to gifts, entertainment and expenses, the Members and their Representatives shall respect the applicable local laws as well as the internal rules and regulations of the Member which they are representing. FEN shall establish the rules applicable to its own employees.