Antitrust and fair competition policy

Experts in perimeter protection

The Heras Group always acts with fairness and integrity in its business dealings, winning business through its reliability, commitment and expertise. To ensure this, Heras depends on its personnel to demonstrate full compliance with competition laws by his/her own conduct.

This Policy sets out the principles which Heras considers most important to ensure honest and fair competition. It contains practical knowledge to enable compliance with competition laws in day to day activities. It is applicable to all people acting on our behalf (irrespective of level), in all businesses and countries, directly or indirectly involved in commercial activities as well as any contact with customers, suppliers and competitors.

All personnel are required to read and abide by this Policy. Violation of this Policy will not be tolerated. Failure to comply may result in disciplinary action up to and including termination of employment.

Whilst, Heras has included the most important principles in this Policy, it can be that local law differs. In that case, you should always comply with the most strict rule. If you do encounter a conflict between this policy and local legislation you should contact our Chief Marketing Officer (CMO) for clarification.

This Policy does not describe all possible situations where antitrust issues might arise. It is also not a substitute for specific tailored legal advice. If you have concerns or questions, please contact our CMO.

Your clear and absolute understanding is crucial in order to identify and appropriately handle situations of risk. We remind you that ignorance of antitrust law is never a defence.

Reason for this policy

Competition laws are formed to ensure healthy competition within a free market by limiting the abuse of monopoly power. A lack of competition threatens the functioning of our economic system. Fair competition increases competitiveness of companies, drives business innovation and productivity. Most importantly, it ensures customers have more choice and are treated fairly, through pricing and product choices.

Competition laws are in place in all countries in which Heras operates. Failure by the Heras Group (which includes conduct of it's personnel) to comply with competition laws, regulations and this policy could result in serious consequences for the Heras Group and the employees engaged in anticompetitive activities. Please note:

Competition Authorities can impose fines of up to 10% of the total Group turnover (even if the infringement is committed by only one affiliate or even one person). The fines are set according to the value of sales that were realized from the date of the offence, and depending on the severity and duration of the offence.

Heras Group can face claims brought by customers or other companies who can demonstrate that they have suffered from anticompetitive practices.

Breach of competition laws could be a legal reason for the termination of contracts, jeopardizing our revenue. Contractual terms violating competition laws will be deemed void.

The reputation of the Heras Group could be damaged by anticompetitive activities.

Not just a company problem, individual employees who violate competition laws may be criminally prosecuted in some jurisdictions, with personal penalties (including fines) and even prison sentences.

How to deal with competitors? (Horizontal agreements)

"Horizontal agreements" are between entities at the same level of the supply chain (i.e. arrangements between Heras and our actual or potential competitors).

Antitrust laws prohibit agreements between competitors that could reduce competition. The concept of "agreement" includes all kinds of arrangements, exchange of information, aligned actions and understandings affecting or even just attempting to affect competition. This is regardless of the form of the agreement (oral or written, formal or unspoken, signed or unsigned, applied or not). It includes a wink or a "thumbs up" during a 'business discussion'. It doesn't need to take place in a normal business setting, it can also take place outside of the workplace.

The existence of illegal agreements can be inferred without direct evidence: minimal amount of circumstantial evidence may be sufficient for a conviction. For example a coordination of a price increase may be inferred if multiple competitors raise their prices at

the same time in the same markets without a reasonable explanation such as an increase in steel price.

Not every agreement among competitors is illegal. Some agreements are permissible, for instance if they provide benefits to consumers, for example joint R&D and environmental initiatives.

Please be aware the most commonly prosecuted antitrust offences are based on horizontal agreements concerning prices, market allocations or boycotts.

To be safe, it is advised to "Keep contact with competitors to a minimum!"

Pricing

Agreements between competitors to raise, fix, or otherwise maintain the price at which they will sell their products or services are called "horizontal price fixing". Horizontal price-fixing is the worst form of anticompetitive conduct, and carries the most serious penalties, including lengthy prison terms, large fines and damages awards. The term "price" is to be understood in its broadest possible sense, to include terms and conditions of sale including credit terms and warranty provisions, delivery terms, discounts, rebates, transportation charges, charges for additional services, profit margins, etc.

In other words, all elements of the price should not be discussed with competitors.

Please note that a public announcement of price change is allowed.

Production/Installation

Any agreement between competitors which limits production or installation is illegal, reducing the supply or installation of a product will have an anticompetitive effect either raising or maintaining prices.

Do not discuss quota, capacity levels, production and field investments or industrial footprint plans with competitors.

Supplying competitors is not illegal but the competitor must decide this for themselves and base their decision on qualifiable data i.e. investment requirements, cost of production, etc.

Tenders (Bid rigging)

Prearranged and agreed bidding between competitors undermines the bidding / tender process and is illegal. It may take different forms, including volume quotas, bid rotations, or complete bid abstention.

For example, Heras agrees with a competitor that it will artificially inflate or not submit a bid for a certain tender in the agreement that the competitor will do the same on a following tender.

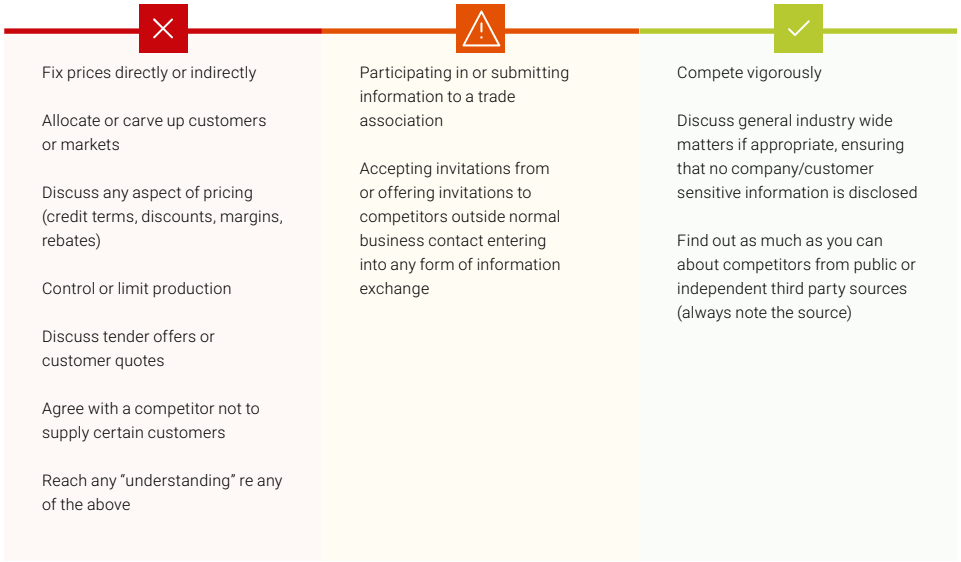
There is no reason to communicate with competitors regarding bid submissions.

Market sharing and boycotting

Market sharing or market allocation are illegal agreements in which competitors share markets among themselves, allocating specific customers or categories of customers, products, sales quotas or territories among themselves.

A boycott occurs when competitors agree that they will not do business with a particular supplier or customer, or only on certain terms. Boycotts may also aim to prevent a competitor from entering a market. The decision not to sell to a customer or to treat with a supplier must be independent and objectively justified (e.g. bad payment record).

Do not make any agreements with competitors regarding sales, marketing or purchasing.



Market intelligence

You must not disclose to, seek from, or exchange with competitors any information on the sensitive subjects mentioned in this policy. Of course, market intelligence regarding prices charged by our competitors may be useful to enable us to set our prices. It is not illegal to use competitive pricing information in setting prices provided that our pricing decisions are based on price data obtained lawfully. Note that the exchange of commercially sensitive information with a competitor is illegal whether the disclosure is direct or indirect. Using a customer as an intermediary is also illegal.

The communication of information through third parties such as trade associations is permitted if the information delivered is "historical". A historical period will range from 3 to 12 months depending on the detail level of the information. The information should not be obtained on a frequent basis as this will attract the attention of the competition authorities.

Always note how you obtained your market intelligence information on the document itself.

Trade associations

Being a member of an industry or trade association is not a problem. However, this is a situation in which you will be communicating with our competitors. All the rules regarding communication with competitors still apply here.

In addition, the trade association should keep detailed and accurate minutes of the discussion and ensure that agenda is in alignment with competition rules. If discussion appears to be leading into an area of competition law, you must note you disagreement strongly and have it minute then leave. Saying nothing or saying that this was started by someone does not absolve you of a conspiracy charge.

Do not to take personal notes but refer only to official minutes. After the meeting, minutes must be submitted to all members for approval to insure the minutes reflect the course of the meeting.

Also remember that to be illegal agreement does not need to take place in a formal business setting. Your telephone conversation can be recorded or a telephone can be used to record a conversation during a meeting.

The same rules apply in a trade association or any industry event as would apply one on one.

✗	✓
Discuss current or future prices with other trade association members (be careful with past prices especially recent ones)	Participate in trade associations whtere they are appropriate
Discuss standardising or stabilising prices, pricing procedures, discount, credit terms, controlling sales or alllocating markets with other trade association members	Share general and historical information if appropriate, ensuring that no company/customer sensitive information is disclosed
Discuss refusing to deal with a company because of its pricing or distribution practices with other trade association members	Ensure trade association meetings have an agenda and are minuted
Attend informal sessions in wich any of the above subjects are discussed	Leave a trade association meeting if the discussion becomes anit-competitive and have your departure and your reason for leaving minuted
	Be careful when describing the company as a "market leader" or other aggressive terms

How to deal with suppliers and customers?

Vertical agreements are those between entities at different levels in the supply chain for example between a customer and a supplier. These agreements may be illegal if found to reduce competition.

Exclusive distribution or customer reselling (dealers)

It is permissible to enter into exclusive arrangements with a dealer, such as granting exclusive territories, restricting the customer's sales to a particular territory, or prohibiting the a dealer from selling competing products. However, there must always be a legitimate business reason for the arrangement. Such as joint marketing, demonstration equipment has been provided. This exclusivity can never be generated as an outcome of your discussion with our competitors.

Two points to note

Heras does not get to decide the selling price of the dealer. We are allowed to suggest a selling price and we can fix a maximum price but we cannot enforce a the selling price nor the minimum selling price and we cannot fix their profit margins. The dealer can sell at any level below the maximum.

We must treat dealers equally. We must offer the same terms linked to volumes to all. This does allow a higher volume customer to get more favorable conditions but if two customers have the same volume they should get the same conditions. An exception to this is growth potential but it must be documented, justified and reviewed.

Boycott

A boycott occurs when two competitors agree not to supply a dealer or to block the market for another competitor. Such behavior is illegal. A boycott may also occur if a company alone refuses to sell to dealer with the purpose to restrict competition.

Heras has the right to select the parties with whom it will do business. It must do this for objective reasons, such as bad payment history or not maintaining the Heras brand image. If we decide not to do business with a dealer that requests to work with us we must document our objective reasons for refusal to sell.

If we do refuse to sell to a dealer or other third party always document the objective reason.

Tied selling

Tied-selling occurs when a supplier, as a condition of supplying a product, requires or induces a customer to buy a second product. By bundling products the company is able to offer them at a lower combined price than if the customer bought each product separately. The tied sale is permitted only if the customer has the choice of buying the items individually as well as together. Tied selling also occurs when a company sells a product and then forces the consumer to buy further products as a condition of warranty validity.

Example of tied product: Delta gate and connect. We cannot limit the standard warranty of the gate if the customer doesn't but connect.

As a rule, acceptance is only granted for tying that can be justified for good technical or qualitative reasons There is an exception only if the warranted product will not function properly without it.

Example of exception: Heras motor drive is sold with the sliding gate as necessary to ensure safe reliable operation.

Make the products available separately. If the product must be tied ensure it is really required and in the best interest of the customer.

Prohibition of abuse of dominance

A dominant position is a position of economic strength enjoyed by a company in a relevant market that enables the company to act without taking account of the actions and reactions of its competitors and customers. This is often referred to as a "monopoly". To keep it simple we define "dominant" as having a market share in excess of 40% over a long period.

The behavior of companies in a dominant position are subject to stricter antitrust controls in order to compensate the lack of competition. Heras must act more carefully when enjoying a dominant position in a relevant market. Dominant position is not, in itself, illegal but the abuse of that dominance is.

The domination must not be exploited in ways that deter or render unfeasible for other companies from joining the market. This is through the practices outlined previously: price fixing, supply restriction boycotting and product tying.

If in a dominant position follow the rules previously noted and document fastidiously.

Try to restrict customers from importing goods or exporting outside their territory Insist on a resale price (in the US you may establish a minimum resale price as long as it does not unreasonably restrain competition) Prevent customers from stocking alternative products	Entering an exclusive supply agreement Applying different terms & conditions without objective, legitimate, commercial justification Refusing to supply a customer or terminating an existing agreement Obliging a customer to purchase one product in advance of supplying another (thes " tying" arrangements may be illegal where they constrain free competition)	Vigorously promote your products and services Recommend a resale price (but do not insists) Require customers to sell a product under a specific trademark

Mergers, acquisitions and joint ventures

The combination of companies through mergers, acquisitions or joint ventures may reduce the number of competitors in the market, thereby increasing the ability of the new integrated entity to increase prices or apply disadvantageous conditions to consumers.

Competition law requires that such transactions receive prior approval of the Competition Authorities when the volume of the deal reaches a determined threshold.

Contact with the competition authorities

How to act in case of a dawn raid

Competition Authorities can carry out surprise inspections called "dawn raids". The investigators have broad authority and can seize documents, data from the workplace, computers, homes and cars and interview employees.

Negative behavior during a dawn raid (e.g. refusal to cooperate or destruction of documents) could have heavy consequences for both employees and Heras, even if investigators ultimately conclude that the Company didn't violate any competition rule. For instance, in case of obstruction, fines could be equal to 1% of the total Group turnover in the previous business year. It is therefore important that Heras personnel act accordingly in the event of a dawn raid. You can find below a summary of the principles to be observed.

Panic or respons aggressively Deny entry to investigating officials Withhold, conceal, destroy or amend any records Provide false or misleading information Volunteer additional information Speculate or give views or opinions Be rushed into answering difficult or incriminating questions Inform anyone external to the company of the inspection	Be calm, polite, cooperative and firm Check the indenifcation of the officials Alert the nominated representatives at your site and your external legal team Make copies of all documents seen, copied or seized Seek advice if you are unsure of your/ the inspector's rights Keep notes of all questions asked and answers given Shadow the officials at all times Refer to the full dawn raid guidelines on site Have a lawyer present for all interviews

The inspectors can search the buildings, the IT system, mobile phones, briefcases and handbags, and can also search any vehicle parked on our sites provided that a valid search warrant is obtained. If they have reasonable suspicions to think that sensitive documents could also be found there, the investigators are also allowed to make similar searches at the domicile of certain employees, however this usually must be authorized by a judge.

The inspectors may seize, copy or examine all the documents as long as they are related to the inquiry: electronic or paper files, documents, correspondence, post-its, SMSs, invoices, accounts, phone bills, etc., even private material such as notebooks or agendas. If a day is not sufficient, the investigators can put seals on offices or documents, limited to the length of the investigation. Breaking or altering these seals can also result in major fines.

The inspectors cannot take original documents and cannot copy in full soft documents (emails and hard disks), they must select and print only the relevant ones. The investigators can interview the employees but cannot ask self-incriminating questions.

Always ensure that the senior director or manager of the site is informed as soon as possible.

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