1. Introduction

Our mission is “to be the most trusted supplier of excavation safety solutions”, and our success in delivering this is dependent upon how all employees behave. It is our policy to comply with the law wherever we operate.

Competition law is designed to ensure that companies compete vigorously and fairly so that the ultimate consumer gets the best deal. Laws vary between countries but, in general, competition rules aim to protect and promote fair competition. They prohibit companies from reaching agreements (or even informal verbal “understandings”) with each other to do things such as fixing prices, allocating customers, sharing markets or unlawfully excluding competitors. They also prohibit any abuse of market power, such as predatory pricing designed to drive out competitors or unreasonable ‘tie-ins’. Penalties for breaching of competition laws are severe, both for the Company and for the individuals involved.

This policy provides an overview of the main rules of UK and EU competition law relevant to the majority of the Company’s activities and sets out procedures and guidelines which must be followed by all employees. The Company is committed to ensuring it complies with competition law and so all employees should be aware that any infringements of the procedures or guidelines in this policy will be taken very seriously. For the avoidance of doubt, breaking competition rules is a disciplinary offence. Please take the time to read this policy carefully and ensure you comply with it.

2. Scope of the law

In the UK competition rules are enforced by the Competition and Markets Authority (known as the CMA). The CMA has the power to investigate and impose fines and penalties in respect of breaches of UK and EU competition law (the European Commission has equivalent powers). The main laws relied upon are the Competition Act 1998 and the Enterprise Act 2002.

The CMA have considerable powers to enable them to investigate breaches of competition law, including carrying out "dawn raids" on a company's premises as well as individuals' homes and cars, and the searches they undertake are likely to be intrusive, including an in-depth search for any evidence stored on IT systems.

These powers extend to investigating agreements or arrangements made outside the UK or EU where the agreement or arrangement in question is, or is intended to be, implemented in the UK or may affect trade in the UK. We all have an individual responsibility to abide by the rules and guidance in this policy and any local laws if operating outside the UK.

3. A summary of the rules

Agreements or arrangements with suppliers, competitors or potential competitors in relation to any of the following are illegal:

- Dividing, sharing or allocating customers, markets or products – agreeing where, what or to whom we will sell or agreeing with a supplier that we won’t sell to specific markets or customers
- Quantity Restrictions – agreeing to stock a certain quantity of a certain product to ensure that demand remains high
- Price Fixing - agreeing to fix our selling prices (including any aspect of price, such as discount levels) or sharing any information on our pricing with our competitors
- The terms of any tender or quotation, including discussing and exchanging information on prices or any other terms and conditions which attach to that offer
- Refusing to deal with particular customers or suppliers or acting together to impose conditions on a customer or supplier
- Any exchange of commercially sensitive information with competitors directly or via an intermediary.

Also likely to be illegal are:

- Discussing with a competitor our intentions or otherwise for any particular enquiry or any details of how we are intending to respond to an enquiry
- Exchanging information directly or indirectly with a competitor concerning recent, current or intended quotations, sales, prices, discounts, terms of business etc.
- Discussing with a competitor our costs, including the prices we get from any part of the supply chain (whether or not we use them)

- Warning or agreeing with a competitor or new market entrant to 'stay off our patch'
- Abusing a dominant market position, for example, to drive competitors out of the market using prices that are below the costs of the goods and services provided.

4. Understanding the law

4.1 Anti-competitive agreements

Competition law prohibits agreements or understandings between two or more businesses that prevent, restrict or distort competition and may affect trade. The effect on trade and competition can be actual or potential.

An important point to note is that agreements can be written, oral, or a simple understanding between parties. The competition rules apply to informal agreements and verbal agreements in exactly the same way as to formal written agreements. An exchange of e-mails, letters, a conversation or even nod could amount to an agreement. The CMA can "infer" that an understanding or verbal agreement has been reached, simply by relying on their own interpretation of documents and events. Many of the heaviest fines have been imposed for verbal agreements or a simple understanding between parties.

4.2 Abuse of a "dominant position"

It is also illegal under competition law for companies in a 'dominant position' to exploit that position in such a way that may affect trade within the UK or EU. A company holds a dominant position if it can take business decisions without regard to its competitors or customers. A market share of 40-50% or more may indicate dominance.

The Company does not currently believe it holds a dominant position in any of its markets, but it may be that one of our competitors or suppliers is dominant in a market, in which case the Company itself could be disadvantaged. If you are concerned about this, please speak to the Company's Compliance Officer for more guidance.

5. Consequences of breaking the law

The following is a summary of the potential consequences of breaching competition law for the Company and the individuals involved.

5.1 The Company

- Fines of up to 10% of Group worldwide turnover.
- Exposure to claims from customers and competitors who can show that they have been harmed by the anti-competitive behaviour. Exclusion from future public works.
- Reputational damage.

5.2 Individuals

- Up to five years' imprisonment; and/or
- An unlimited fine.
- Directors may be disqualified from acting as company directors for up to 15 years.

6. Specific areas of risk

This section of the policy describes some of the specific areas of risk that you may come across. Understanding these risks is the first step in avoiding them. If you are ever in any doubt about the right course of action, you should contact the Company's Compliance Officer.

6.1 Dealing with competitors

Contact with competitors is a necessary part of our business, as not only are they competitors but often they are also our customers and suppliers. Nevertheless, such contact is something which competition authorities examine very closely. Therefore, as soon as you engage in any contact with a competitor you need to be vigilant and consider the situation carefully.

Any communication at all between competitors may be interpreted at a later stage as being part of an anti-competitive agreement and you may be called upon to explain why you had the contact with a competitor and what was said, even years later. As such, prior to such contact carefully consider whether you really need to make contact with the competitor, and where you do so, ensure that you would be able to justify why the contact was made and keep a record of what was discussed.

Do Not agree or discuss with a competitor:

- How the Company operates commercially or commercially sensitive information e.g. strategy, customers, terms of sale to customers, marketing initiatives, product plans or anything else that you or the competitor might regard as being commercially sensitive information.
- Where or with whom the Company conducts its business or its appetite or otherwise for any customer, supplier or segments thereof.
- Pricing policies, profit margins, haulage charges or the prices we get from our suppliers.
- Agree or discuss with a competitor, the terms of any tender, quotation or alike, whether it be recent, current or intended.

If a competitor contacts you with a view to discussing any of the above or anything else which may be construed as anti-competitive, refuse to divulge any information and immediately report the incident to the Company's Compliance Officer.

6.2 Pricing

The majority of investigations and prosecutions for breaches of competition law are related to anti-competitive agreements relating to pricing. For this reason, you should avoid any agreement or discussion with a competitor that could lead to (or be interpreted as having) even a potential effect on how we, or our competitors, compete on price.

You should bear in mind that a breach (and a potential criminal offence) takes place when an activity has the **potential** to affect the price – even if the price isn't actually affected.

Do Not:

- Take part in any discussions with competitors whatsoever about prices given to our customers.
- Discuss with anyone our costs or the prices that we get from our suppliers, irrespective of whether we use them.
- Form agreements with competitors to inflate tenders or quotations for any reason.

6.3 Trade associations

Trade associations, conferences and other industry events can be useful networking opportunities and important opportunities to discuss perfectly lawful, non-competitive issues, but the fact that you will have contact with competitors may present risks too. At such gatherings, there may be the potential to stray inadvertently into discussing topics that could be construed as anti-competitive. If you feel the content of any meeting or conversation may breach the guidelines set out in this policy, leave the meeting at the earliest opportunity making it clear to those participating in the meeting or conversation that you are doing so, and report the fact that you have done so to the Company's Compliance Officer.

6.4 Gathering information

All businesses rely on information about markets, opportunities, customers, competitors and so on. Competition law does not discourage a company from gathering market intelligence so that it can compete effectively.

You may:

- Gather information on competitors' sales and prices from publicly available sources
- Consider "market gossip" from sources such as sub-contractors, suppliers, trade associations and trade magazines. However, you must not try and check or verify such "market gossip" with a competitor.
- Accept information volunteered by customers as to what competitors are doing, including prices and the terms of any special promotions being offered by competitors. Do not ask customers to provide such information about competitors on a regular basis. The process of accepting it should not become institutionalised or made a requirement of dealing with the Company.
- Participate in benchmarking schemes or surveys where an independent third party collects, collates and then redistributes anonymous, aggregated and historic industry- wide sales information to participants, but please consult with the Company's Compliance Officer before doing so.

6.5 Dealing with officials from the competition authorities

If officials from the competition authorities arrive to inspect your place of work, it is important to co-operate fully with them. However, you should make sure that you:

- Ask to see the identity card of any inspector(s) – please take details of their names, their organisation and the time they arrived;
- Contact the Company's Compliance Officer immediately; and

- Keep the inspector(s) in the reception area until a director or senior manager arrives.

If you receive a telephone enquiry relating to competition matters, please refer the caller to the Company's Compliance Officer immediately - do not answer any questions. The Company's Compliance Officer will deal with all enquiries honestly and transparently once they are certain that they are bona fide.

6.6 Unguarded language

The language used when communicating reflects on the whole Company, and where documented it may be scrutinised should the Company be subject to an investigation by a competition authority. Documents in this context are not limited to paper documents but includes all information recorded and stored electronically in any form, including computers, mobile phones, servers, databases, e-mails, e-mail archives, removable electronic storage media and alike. Even documents that you might believe to be confidential or personal such as diaries, telephone records or personal note books could be taken away, copied and examined. Accordingly:

- Take care with the language you choose in all business communications, whether in writing, on the telephone, in meetings or during conversations.
- Do not use wording that could be misinterpreted, be precise and explicit.
- Only disclose information within your authority limit and to those with a valid need to know.
- Never write down things or put into an email that you would be unhappy to be made public.
- Never say or write anything that could embarrass the Company or its customers in any way.

7. Consequences of breaching this policy

We will act swiftly to investigate and take appropriate disciplinary action against any employee acting in breach of this policy.

8. Reporting contact

Please advise the Company's Compliance Officer of the following situations:

- If a competitor contacts you with a view to discussing anything which may be construed as anti-competitive, regardless of whether or not such a discussion actually takes place.
- If you do have a conversation with a competitor, regardless of whether it is formal or informal, which you later realise could be construed as anti-competitive.
- If you feel the content of any meeting or conversation at an industry event breaches the competition guidelines set out in this policy.
- If you have any concerns whatsoever that anti-competitive behaviour has taken place.

The purpose of the reporting such contacts is to help the Company to clearly show that it has not breached competition law should an allegation ever be made, which could even be years after the contact took place.

9. Document retention and destruction

We are required, by law and by our internal procedures, to keep certain documents and records and these are set out in our document retention policy. In the context of competition issues, if you are notified by the Company's Compliance Officer that the Company is under investigation, you must not dispose of or destroy any documents in the areas identified until notified otherwise.

10. How to raise a concern

If you have a concern or suspect a violation of this policy, you should speak up immediately. This can be a difficult thing to do, so be assured that if you act in good faith believing your information is accurate, we will protect you even if you are wrong. If you do not feel comfortable speaking to your line manager, you can contact any member of the Human Resources department or the Company's Compliance Officer.

11. Further information and assistance

Where necessary, further training will be provided to senior personnel. Attendance at these training courses is compulsory including passing competition law e-learning courses.

If you have any questions concerning this policy please contact Gerald Nowicki, Company Compliance Officer at: Grant House, Lockett Road, Ashton in Makerfield, Wigan. WN4 8DE. Tel: 01942 402700

Policy Reviewed on 23/02/2023