Competition compliance Statement

ISG is a dynamic global construction services company specialising in fit out, construction, engineering services and development. We produce built environments with exceptional delivery dynamic, supported by strong customer relationships that are underpinned by mutual trust, collaboration and open communication. Compliance with all applicable rules and regulations such as competition law is paramount to achieving that vision.

ISG considers that breaching competition law is unacceptable; it exposes ISG and its employees to the risk of fines, criminal prosecution and other penalties, as well as damaging our reputation and increasing the cost of doing business.

This Policy statement confirms ISG's intention and commitment to comply with competition law, to take measures to operate and carry out business in an open, honest and fair manner and to adopt a zero-tolerance policy towards competition law infringements.

The purpose of this Policy statement (the **"Policy"**) is to set standards of conduct that help prevent ISG from becoming involved in anti-competitive practices or behaviours. The principles underpinning this Policy are the same across Europe but we would expect our employees to adhere to this code of practice in every country in the world in which we operate, regardless of business sector, local customs and practice as similar competition rules apply in most jurisdictions.

ISG will seek to ensure that it:

- Adopts the approach that it is better not to do business at all than to risk breaching competition law rules
- Reviews the Policy regularly to ensure its effectiveness, taking into account any feedback, questions and suggested areas for improvement
- Has in place adequate procedures to prevent the risk of breaching competition law rules, both to aid compliance and to investigate fully any matters of potential non-compliance with the Policy
- Trains all relevant employees to ensure they understand the Policy, the requirements of competition law, how to spot issues and raise concerns, the responsibilities placed upon them and the potential penalties involved for non-compliance
- Monitors practices in areas of particular risk such as tendering
- Maintains systems and processes to make sure that no employee suffers any adverse consequences as a result of reporting any suspicion of anti-competitive behaviour

Everyone who is employed by ISG in any capacity is bound by the Policy, including directors, officers, employees, agency workers and contractors. We expect all agents, intermediaries and other business partners to act consistently with the principles in the Policy and to act in compliance of all relevant legislation in all their dealings with, or while performing services on behalf of, ISG.

Employees should keep this Policy in mind, in particular, when dealing with competitors regardless of the context. Where there is any such risk, they must report it to allow decisions to be taken to avoid any conflict risk.

A copy of the Policy is available from the Company Secretary upon request and can be accessed via the ISG intranet. Any questions regarding the Policy should be directed to the Company Secretary, and matters can be escalated to the Chief Executive where appropriate.

Overall responsibility for the Policy rests with the Directors of ISG Limited and those of its subsidiary companies.

For and on behalf of ISG Limited
Signed:

Paul Cossell
Chief Executive
Date: September 2020

Competition compliance Policy

1. Purpose of this Policy

1.1 This Policy will help you to:

1.1.1 understand the basic principles of competition law and the behaviours to avoid;

1.1.2 identify typical situations in the course of your work that may be "high risk", which should alert you to the fact that there may be heightened competition law risk; and

1.1.3 decide what to do in the event that you are concerned that anti-competitive practices may be taking place.

1.2 It is vital that you familiarise yourself with the Policy and take part in any training provided. This means:

1.2.1 reading, understanding and complying with this Policy;

1.2.2 attending all related training when requested to do so;

1.2.3 seeking advice from your line manager or the Company Secretary if you are unsure about your obligations or any action you may need to take to comply with the Policy; and

1.2.4 reporting any activity which you suspect infringes the Policy, whether or not the activity takes place within your own sphere of operation.

1.3 ISG must comply with the laws of every country in which it operates. Compliance can only be achieved with the active cooperation of everyone associated with ISG. Therefore, everyone employed by, or performing services for ISG in any capacity is responsible for ensuring that they (and those reporting to them) comply with the law at all times.

1.4 Compliance with this Policy on a day-to-day basis, and the prevention, detection and reporting of suspected breaches of the competition law rules, is the responsibility of everyone to whom this Policy applies. Any knowledge or suspicion of competition law breaches must be reported through the ISG Whistle-blowing Policy, a copy of which can be found on the ISG intranet, or is available from the Company Secretary), so that they can be investigated in a confidential manner. Contact details for ISG's externally facilitated whistleblowing hotline can also be found within the Whistle-blowing policy, or on posters that are displayed on office/site noticeboards.

1.5 No employee will:

1.5.1 suffer demotion, penalty or other adverse consequences for refusing to engage in anti-competitive behaviour, even if that may result in the company losing business; or

1.5.2 suffer any adverse consequences as a result of reporting any suspicion of breaches of competition law in good faith. Any retaliatory behaviour will be taken very seriously and will be dealt with accordingly.

1.6 Failure to comply with this Policy will be treated as a serious disciplinary offence, and may result in reprimand, suspension and/or summary dismissal for gross misconduct.

1.7 If you commit a breach of competition law, the penalties could include:

1.7.1 fines of up to 10% of ISG's worldwide turnover;

1.7.2 criminal prosecution of individuals including up to five years imprisonment and unlimited fines for participation in a cartel;

1.7.3 director disqualifications for a period of up to 15 years;

1.7.4 significant reputational damage which undermines the trust and relationships that ISG has built up with its customers and other stakeholders;

1.7.5 additional cost and time to comply with any investigation; and

1.7.6 the inability of ISG to tender for public sector contracts (and potentially some private sector contracts) for a number of years.

1.8 Furthermore, in many countries, those who have suffered damage or lost business as a result of a breach of competition law can claim compensation for that damage through the courts. Therefore, complying with this Policy will help protect both you and ISG.

1.9 ISG will seek to ensure that all necessary arrangements are in place to aid compliance and will maintain and administer the Policy and thoroughly investigate any reports made in accordance with it. This Policy will be regularly reviewed to take into account any changes in legislation, feedback and queries. It may be amended and updated from time to time, and new versions will be communicated and made available.

1.10 It is important that this Policy is fully understood by all those to whom it applies. Compulsory training will be provided periodically to all relevant employees and will be monitored, evaluated and refreshed regularly. You will be informed if and when you are required to take the training.

2. What is competition law?

2.1 Competition law in the EU and UK is based on two main prohibitions:

2.1.1 anti-competitive agreements or practices between two or more competitors which aim to restrict competition by for example fixing prices, exchanging competitively sensitive information and sharing markets or customers (the "**First Prohibition**"); and

2.1.2 unilateral anti-competitive conduct by a business who is dominant in its market and who uses this position of strength to exploit customers and/or to eliminate competition (so called 'abusive behaviour'). This conduct may include charging unreasonably high or low prices, preventing competitors from entering the market or refusing to supply certain customers of an essential input. (the "**Second Prohibition**").

2.2 All businesses are subject to the first prohibition. Companies with substantial market power are subject to both.

2.3 Competition law is enforced by the Competition and Markets Authority in the UK and by the European Commission throughout the EU. However, each national government also has their own competition regulator.

3. First Prohibition - Anti-competitive agreements or practices

3.1 The First Prohibition catches all forms of agreements including formal and informal agreements (such as a so-called "gentlemen's agreement") with competitors, customers, suppliers or agents. It is not just limited to oral or written communications, your behaviour and conduct may also be used by the competition authorities as evidence of an infringement.

3.2 There is no exhaustive list of possible infringements of this prohibition, but examples of the most serious anti-competitive agreements are detailed below:

Cartel Agreements

3.3 Cartels are one of the most serious infringements of competition law. In essence, they are (usually secretive) agreements between competitors not to compete. ISG should always act independently on the market and you must not engage in cartel conduct, including the following:

3.3.1 **Price fixing** – agreements to fix "prices" or any price elements including: fees, commission rates, rebates and discount terms.

3.3.2 **Market sharing** – agreements which allocate or share clients between ISG and its competitors, for example, by geographic location, service type or client type. For example, by agreeing not to "poach" a competitor's clients as long as they return the favour.

3.3.3 **Bid rigging** – any agreement with a competitor on whether to submit a bid and on what terms to bid. Any sort of rigging of bids is likely to be considered a serious breach.

3.3.4 **Cover pricing** – any agreement with other bidders to place artificially high prices in order to not win the contract. This allows competitors to take it in turns to win particular tenders and increase the overall market price for their services.

3.3.5 **Collective boycotts** – agreements with competitors not to deal with a particular competitor, customer or supplier.

3.4 If ISG were to "facilitate" the organisation of a cartel arrangement (i.e. between sub-contractors or suppliers) ISG could be fined separately for participating in this role.

Exchanges of commercially sensitive information

3.5 Competition law may be engaged whenever any "competitively sensitive information" is shared between competitors. Particular care should be taken because even a one-off or one-way exchange of information can be sufficient to constitute an offence.

3.6 If you receive or share (even inadvertently) information which you believe or suspect may be competitively sensitive, you should report this immediately to the Company Secretary.

3.7 Commercially sensitive information is broadly speaking any information which is not in the public domain and which could give a competitor insight into ISG's future strategy. Often individuals will need to judge this for themselves given the context. However, below are some examples which may be a helpful reference:

3.7.1 Information about ISG's intended pricing for any tender or specific client proposal.

3.7.2 Information relating to the decision whether to bid on a particular tender and the commercial terms that may be offered.

3.7.3 Detailed breakdowns of costs from current and/or previous projects.

3.7.4 Details of ISG's commercial strategy, business plans or intended investments.

3.7.5 Details of ISG's commercial terms and conditions or our arrangements with clients, sub-contractors or suppliers.

3.7.6 Current or recent client lists.

Also refer to section 5 of this Policy (high risk areas).

3.8 Before sharing or receiving any information, first consider whether you would be comfortable for it to be in the public domain and the reason for the exchange. It is safest to share only information already in the public domain, which is anonymised or aggregated, and sufficiently historic that it is no longer commercially sensitive.

Supplier arrangements

3.9 Agreements with suppliers and sub-contractors can also be caught by the competition prohibitions. Examples of clauses which may give rise to competition concerns in this area are:

3.9.1 **Exclusivity or non-compete clauses** - for example, obligations not to supply products/services to competitors.

3.9.2 **Resale price restrictions** – obligations to resell goods or services at minimum or fixed resale prices.

3.10 You should seek advice from the Company Secretary where highly restrictive clauses are proposed.

4. Second Prohibition – abuse of dominant position

4.1 It is not unlawful under competition law to be dominant. However, companies that are in a dominant position in their market are considered to have a 'special responsibility' to behave in a non-discriminatory and fair manner. Typically companies with a market share of >40% who have a strong market position are likely to be dominant.

4.2 In order to be caught by the Second Prohibition of competition law, two conditions must be met:

4.2.1 The company must have a dominant position in the market; and

4.2.2 That company must be engaging in conduct that is abusive.

4.3 ISG does not consider itself to be "dominant" in any vertical UK market, although it cannot be excluded that at a point in time, ISG could hold a fairly strong position in a local or regional market. However, ISG is likely to be contracting with third parties or suppliers who may be dominant in their particular markets.

4.4 When dealing with companies that are likely to be dominant, ISG employees should consider whether the behaviour of these companies may be abusive of competition law to ensure that ISG is being treated fairly and is not prevented from competing for projects. For example:

4.4.1 Are competitors with strong market power regularly winning bids at prices that are below cost?

4.4.2 Are suppliers that provide key inputs (i.e. they are one of the only suppliers for a particular product or service) refusing to supply ISG or supplying ISG on unfavourable terms (i.e. does the price increase to untenable levels or do other terms worsen over time)?

4.4.3 Are suppliers of key inputs charging prices that are prohibitively high and above usual market price?

4.5 If this is the case, consider reporting these issues to the Company Secretary as these companies may be breaching competition law by abusing their own dominant position. However, any evidence of misconduct should be obtained from legitimate sources such as public market intelligence (see below the section on 'High risk areas' for further guidance on legitimate sources of information**). Do not seek competitively sensitive information from competitors, customers or suppliers directly.**

5. High risk areas

5.1 You must be vigilant of competition law at all times, however, in the construction and fit-out sector you should be particularly on your guard in the following situations.

Meetings and interactions with competitors

5.2 Meetings with competitors may take place for entirely legitimate reasons. For example, industry events or trade conferences serve a worthwhile purpose by showcasing our offering and facilitating discussion on industry wide issues. Our sector features active networking and social events where you may find yourself in close quarters with competitors. It is also possible that we may be working alongside a competitor on a given project and therefore be in close and frequent interaction with them.

5.3 Such occasions entail a heightened risk as they bring competitors together and legitimate discussions may risk straying onto sensitive areas, such as discussions of pricing or future tenders. Even passive participation in such a discussion, or simply being in the same room when a competitor discloses sensitive information can implicate you and ISG – so it is important you bring these matters to the Company Secretary's attention as soon as possible.

5.4 If you are ever in a meeting or event where the topic of conversation has shifted to an area that is off-limits, make sure to distance yourself from this exchange:

5.4.1 **state** (firmly and politely) that you do not want to receive such information;

5.4.2 **leave** the meeting/ conversation. If minutes are being taken make sure your disagreement and departure are recorded;

5.4.3 **do not forward** or share this information with anyone;

5.4.4 **do not write** it down or take a note;

5.4.5 **do not use** the information;

5.4.6 **destroy** any information received and if appropriate respond to the disclosure by explaining that you have deleted the information and that you do not wish to receive any further comments in the future;

5.4.7 **inform** your Company Secretary of any incidents or if you are unsure about a particular exchange.

Competitive tenders

5.5 When clients or agents put out a new tender, you must be conscious of any attempt by a competitor to influence whether ISG submits a proposal or the terms of its bid and guard against any such behaviour. Bid-rigging is a serious offence and it can take different forms, such as "cover pricing", whereby competitors agree to take it in turns to submit deliberately uncompetitive and overpriced proposals in order to influence the client's perception of value and allocate projects between them. You should never disclose confidential details of tender proposals to competitors (or solicit such information from ISG's competitors).

Participating in market intelligence gathering

5.6 Monitoring ISG' competitors and gathering market intelligence is a common feature of many markets and is a sign of healthy competition. However, it is essential that ISG sources its market intelligence in a compliant manner for competition law purposes.

Published information

5.7 It is permissible to collect market intelligence from public sources: information which is widely and easily available in the public domain e.g. websites, press releases, annual reports etc.

Client feedback

5.8 Where ISG loses a tender, you may receive client feedback on our offer relative to a competitor's offer. Alternatively, a client may disclose competitor information to you as part of their commercial negotiation with ISG (e.g. to drive down our fees). This is unlikely to be problematic provided it is volunteered in the context of a genuine commercial negotiation and is not provided by the client as a matter of course in every dealing. The information provided to ISG by a client should also be kept to a minimum, i.e. they might disclose competitor information regarding a specific line item in the ISG bid to drive down costs in that area, but they should not be disclosing wider information, or full details of the overall competitor bid. If the client does send an entire competitor proposal, follow the steps in listed on section 5.11 below to appropriately distance yourself from the exchange and report this to the Company Secretary where necessary.

Third party market information providers

5.9 You may be approached by a third party market data provider who is interested in collating ISG's business data alongside our competitors and publishing market wide reports or surveys. Generally, the preparation of such reports by third parties is permissible provided they comply with certain data collection safeguards and appropriately aggregate/anonymise ISG's data.

5.10 You should avoid obtaining market intelligence:

5.10.1 directly from competitors; or

5.10.2 as part of a fishing exercise, e.g. by making unjustified requests to a client for a competitor's confidential information in order to glean more about our competitor's offering.

5.11 In this context, employees should follow the below practical tips for managing information in a compliant manner:

5.11.1 If a customer gives you feedback relating to ongoing competitor bids:

(a) **DO:** assess the context in which information has been provided. Consider whether it is a negotiation tactic or whether it may lead to over-disclosure? If you feel that excessive information is being provided-, for example if you are provided with the full competitor bid rather than a specific line item which you are negotiating, it is best practice to distance oneself from the exchange. It is difficult to define what would be classed as excessive in each situation and so this should be judged on a case by case basis. There is also increased risk if the same customer is always passing on information or if it is always information about the same competitor.

(b) **DO NOT:** ask for such information. If information extends beyond normal negotiating tactics, revert by email explaining that you do not wish to receive such detailed information and that you have deleted it, make sure that you have actually deleted any information received from your inbox.

5.11.2 Managing discussions at a supplier day run by a potential client:

(a) **DO:** speak to clients about any technical requirements, supply needs, pricing etc. that relates to the potential opportunity.

(b) **DO NOT:** discuss or exchange commercially sensitive information with other competitors that may be present.

5.11.3 Sharing information with a sub-contractor:

(a) **DO:** share information necessary to carry out the project (i.e. technical specifications etc.).

(b) **DO NOT:** If the sub-contractor is also a competitor, do not share any of ISG's pricing, strategy or other competitively sensitive information concerning issues/areas where the parties compete.

6. Competition Enforcement Powers in Brief

6.1 The Competition and Markets Authority in the UK (CMA)-, has broad powers to investigate potential misconduct affecting the UK market and can receive information about potential breaches from many different sources. The European Commission will have broadly similar powers and procedures to regulate matters across the EU whilst other national competition authorities govern each Member State. Typically, competition authorities gather intelligence from:

6.1.1 **whistle-blowers** – a company that blows the whistle on unlawful behaviour in which it participated can receive a reduction in fines and in some cases full immunity;

6.1.2 **a rival customer or competitor –** third parties may complain to the competition authorities if they feel that they are being treated unfairly;

6.1.3 **competition authority's own market monitoring activities –** competition authorities may send out both formal and informal requests for information to market participants and stakeholders if there is a concern that competition laws have been breached. The CMA also carries out frequent market wide studies to consider whether competition is working in the most efficient manner in any given market;

6.1.4 **investigations and dawn raids –** in some circumstances, the CMA and other competition authorities can enter a company's business premises and/or personal premises and vehicle to seize documents (emails, notes, text messages etc.) in order to uncover wrongdoing. As at the date of this policy being approved, ISG is in the process of updating its existing Dawn Raids policy, details of which will be communicated to relevant employees at the appropriate time.

6.2 It is important to take care with your use of language both in meetings and in written form (whether that be in emails, text messages, WhattsApp chat, or any other form of electronic messaging. An unfortunate or ambiguous choice of words could be later misinterpreted by a competitor or the CMA.

7. Reporting Procedure

7.1 It is your duty to immediately report any knowledge or suspicion of practices or behaviour that you believe is or could potentially be in breach of competition law.

7.2 Follow the procedures outlined in ISG's Whistle blowing policy, a copy of which is available within the Governance and compliance section of Workspace.

7.3 All reported concerns (including those that have been made anonymously) will be treated in the strictest confidence.

7.4 It is much better to speak up than to keep quiet about a concern. Keeping quiet may make you personally liable for being complicit in the unlawful behaviour. In addition, failure to report a suspicion or occurrence of anti-competitive behaviour will be taken very seriously by ISG and may result in disciplinary action. You will not suffer any adverse consequences as a result of reporting any suspicion of potential breaches of competition law.

Competition compliance Policy

Golden rules for compliance

- Read this Policy and ensure you are familiar with the content.
- Ensure that all relevant colleagues and team members are familiar with the Policy.
- Ensure that any proposed direct contact or communications with competitors is compliant with the Policy.
- Do NOT respond to a competitor's invitation to participate in suspicious conduct.
- Report immediately to the Company Secretary any potential anti-competitive conduct by us or by one of our competitors

This policy was approved by the ISG Board of Directors - September 2020