Background

Broadspectrum Pty Ltd (**Broadspectrum** or the **Company**) is a wholly-owned subsidiary of Ferrovial S.A. (**Ferrovial**). Consistent with Ferrovial's principles of conduct and behaviour, Broadspectrum is committed to responsible corporate governance, including ensuring that it has appropriate internal controls and processes in place to promote compliance with competition laws in countries where Broadspectrum conducts business.

Accordingly, the Broadspectrum board of directors (the **Board**) and senior management have endorsed this *Fair Competition Policy* to support the Broadspectrum *Code of Business Conduct* and compliance and governance framework.

Purpose of this Policy

The purpose of this Policy is to:

- outline Broadspectrum's position on fair competition
- explain briefly the types of arrangements between Broadspectrum and its competitors, clients and suppliers that could potentially be considered anti-competitive, and
- outline the responsibility of Broadspectrum's directors, officers, employees, consultants, contractors and any other parties acting as representatives or agents of Broadspectrum (**Employees** for the purpose of this Policy), in observing and upholding the Company's position on fair competition.

This Policy provides high level guidance only and is not a substitute for legal advice. If Employees are in any doubt regarding whether particular conduct is or could be anti-competitive, they should consult with the Legal and Governance Group.

Scope

This Policy applies to all Broadspectrum:

- Employees;
- where applicable, Business Partners; and
- wholly and majority-owned business ventures in all countries in which Broadspectrum conducts business. Where Broadspectrum has a minority interest, it will seek to ensure that the legislative requirements and intention underlying this Policy are complied with, but recognises that the manner in which these requirements are met may vary. References in this Policy to Broadspectrum includes its related entities.

For the purposes of this policy, **Business Partners** includes, clients, suppliers, consultants, contractors, sub-contractors, joint-venture and alliance partners, and other Representatives and third-parties performing services for, or on behalf of, Broadspectrum.

Sources of legal obligations

The legal obligations underlying this Policy are the competition laws (also known as antitrust laws) of countries in which we operate, including:

- *Competition and Consumer Act 2010* (Cth) (formerly the *Trade Practices Act 1974* (Cth)) (Australia)
- *Commerce Act 1986* (New Zealand), and
- The *Independent Consumer and Competition Commission Act* 2002 (the Independent State of Papua New Guinea).

To the extent that the applicable laws of a country in which Broadspectrum conducts business conflict with or impose a higher standard than this Policy, the applicable laws must be complied with.

Competing fairly

Broadspectrum competes for business through superior performance, recognising the benefits of fair and vigorous competition in the markets and industries the Company operates in. The Company requires its Employees to comply with applicable competition and anti-trust laws.

Where Broadspectrum collaborates with competitors and peer companies, suppliers, or clients, through arrangements such as joint ventures, alliances, licencing transactions, partnerships, and membership of trade associations and professional societies, it does so in pursuit of legitimate business goals – such as strengthening mutual expertise and innovation efforts and effective expansion into new markets or new industries. In doing so, Broadspectrum recognises the risks associated with those types of collaboration, despite the best of intentions, and has adopted this Policy to ensure its participation in those activities meets all applicable legal requirements.

Broadspectrum competitors

References in this Policy to competitors relates to companies, state-owned entities, partnerships and individuals who operate (or could potentially operate) in the same industries and markets as the Company and/or are or are likely to be in competition for the supply or acquisition of goods and services in these industries and markets.

Overview of applicable competition and anti-trust laws

Competition and anti-trust laws around the world generally prohibit agreements or understandings, including informal communications (arrangements for the purpose of this Policy), with competitors, clients, or suppliers, or other third parties that are aimed at, or have the effect of, reducing or eliminating competition. The type of agreements that are illegal can involve two or more businesses colluding (coordinated conduct), or the actions of a single business or person (unilateral conduct). Such agreements or understandings can relate to various aspects of the competitive strategy, including:

- prices
- costs
- profits
- clients
- products, services or capacity
- innovation in new products
- bids
- suppliers, and
- market share and sales territories.

Exchange of information with a competitor, whether directly or indirectly and formally or informally, regarding any aspect of the competitive strategy, raises serious legal issues and should only be done with prior written approval, and continued oversight, of the Legal and Governance Group. The simple exchange of such information with a supplier or a client may constitute, or give the appearance of, anti-competitive behaviour and may be a breach of the law.

Arrangements with competitors

Employees must be aware that certain arrangements with competitors could be seen as reducing or eliminating competition and be in breach of competition and anti-trust laws. The Company must not enter into any arrangements with competitors that have the purpose or effect of fixing, controlling or maintaining prices, allocating clients, products or services, suppliers, territories and market share, restricting outputs in the production or supply chain, restricting innovation, rigging bids or tenders (including excluding or limiting dealings with competitors) or otherwise substantially lessening competition.

Price fixing or any mechanism that directly or indirectly affects price refers to an arrangement among competitors to raise, fix or otherwise maintain the price at which their goods or services are sold or acquired. It can take many forms, including discussions between competitors regarding price, discounts, formulas for computing prices, fixing credit terms (including making them uniform) or differentials between different types of quantities of services.

Bid or tender rigging (also called collusive tendering) refers to arrangements between competitors aimed at ensuring that bids for a tender are submitted (or withheld) as agreed between them. There are different types of bid rigging, including:

- cover bidding – where competitors select a winner amongst themselves in advance whilst the others deliberately bid in excess of an agreed amount, resulting in the selected bidder having the lowest tender and creating the illusion that the lowest bid is competitive
- bid suppression – where a party agrees not to tender for a project, so that a pre-agreed party can win the contract instead
- non-conforming bids – where a party deliberately includes terms and conditions in a tender that they know will not be acceptable, ensuring that they will not win the bid and that a pre-agreed party will be successful
- bid withdrawal – where a party withdraws its bid so that a competitor can be successful in a tender
- bid market allocation – where competitors divide the market or territory and agree on the party that will bid in a specific market or territory, or
- bid rotation – where competitors agree to take turns at winning business, whilst at the same time monitoring their market shares to ensure they maintain a predetermined share of the market.

Arrangements between competitors which are aimed at restricting the supply or acquisition of products to or from a third party, otherwise known as boycotts, are likely to be seen as anti-competitive and must not be entered into by the Company. Similarly, secondary boycotts, where two parties act in concert to hinder or prevent a third person trading with a fourth person, may also be anti-competitive.

Arrangements with clients and suppliers

Employees must also be aware that certain arrangements with clients and suppliers may also be in breach of anti-competition laws. These include:

- price restraints - specifying a minimum re-sale price and withholding supply or treating the re-seller less favourably if the re-seller refuses to comply with it
- non-price restraints – supplying or acquiring products or services on terms that:
  - restrict the operations of a client, or a supplier, to a particular territory or market
  - prevent or limit a client from using another supplier's products or services, or
  - prevent or limit a supplier from supplying their products or services to another client

- in order to, or with the effect of, restricting or eliminating competition
- tying – agreeing to supply products or services to a client only if the client signs up to receive a different type of product or service
- third-line forcing – is a form of enforced exclusive dealing which involves placing a condition requiring a party to acquire products or services from a third party nominated by the supplier
- reciprocity – where a client conditions its acceptance of products or services from the supplier on the supplier acquiring products or services from that client
- Client termination – where the termination results from an agreement with a competitor or another client and is aimed at reducing or eliminating competition
- Predatory pricing – pricing products or services below cost with a purpose of damaging a competitor or forcing a competitor to withdraw from a market
- Unconscionable conduct – engaging in conduct which is not in good conscience including, for example, misusing bargaining power by treating suppliers or clients in a manner that is not consistent with acceptable business and social standards, or
- Employees otherwise taking advantage of having a dominant position in a market for an anti-competitive purpose.

Employees should always seek advice from the Legal and Governance Group if they suspect or become aware of any of the above conduct.

Industry and trade meetings

Attendance at industry and trade meetings often place Employees in close proximity to employees of competitors, and extra care must be taken to ensure that formal and informal discussions and activities at these events do not lead to any suggestion of anti-competitive conduct.

Employees are free to discuss the relevant industry generally, including industry trends, standards and guidelines. However, Employees must be wary of discussions in relation to prices, costs, profits, clients, products, services or capacity, bids, suppliers, market share and sales territories, and any other aspect of competitive strategy.

Where an Employee finds themselves in situations where these matters are raised, they should make it clear that the discussion is inappropriate and should be stopped. If the discussion continues, and if the meeting is formal, the Employee should break away from the discussion, ask that their exit be minuted and promptly inform the Legal and Governance Group. If the meeting is informal, it is important for the employee to make a conspicuous exit, if possible, and immediately inform the Legal and Governance Group as soon as possible.

Researching the market

Where Employees research the markets that the Company operates in, they must exercise care in gathering information about competitors, clients and suppliers, ensuring no improper methods such as theft, illegal entry, threats, bribery, misrepresentation of who the Employee is and represents, or electronic eavesdropping are used in the collection of information. Employees may use available literature, industry and other publicly available sources and other legitimate sources, gathered fairly and legally.

Unfair and deceptive marketing

Statements made by Employees regarding the capabilities of Broadspectrum, either verbally or in marketing or tender materials, must be accurate and complete. The Company is bound by the claims it makes about its services. All statements must be true and must be backed by appropriate documentation. False or misleading remarks about competitors, suppliers and clients and their products and services are prohibited.

Employees must not maliciously collect and destroy competitors' marketing materials, harass competitors by fictitious inquiries, coerce or intimidate suppliers or pass off competitors' products and services as the products or services of some other firm.

Key employee obligations

To support Broadspectrum's commitment to competing fairly, Employees are expected to:

- consult with the Legal and Governance Group prior to entering into any arrangements with competitors, such as joint ventures alliances, including where the Company already has existing arrangements with these competitors
- not enter into any arrangements with competitors, suppliers or clients that are aimed at, or may have the effect of reducing or eliminating competition, and to consult with the Legal and Governance Group prior to entering into any of these agreements if they have the potential to reduce or eliminate competition. This includes any arrangements in relation to prices, costs, profits, clients, products, services or capacity, bids, suppliers, market share and sales territories and other aspects of the competitive strategy
- exercise care when researching competitors, suppliers and clients, ensuring no improper methods such as theft, illegal entry, or threats are used in the collection of information, and
- consult with the Legal and Governance Group prior to publicly criticising a competitor, supplier or client's products, services or business practices.

Employees whose roles involve collaboration with competitors, clients and suppliers, including in marketing, business development and procurement functions, must be specifically familiar with the principles and purposes of applicable competition and anti-trust laws in the markets in which they operate. They should work closely with the Legal and Governance Group to ensure that their communications are limited to permitted subjects and that appropriate procedures are followed to record the nature and scope of these activities.

Reporting violations of the Policy

If Employees observe, or reasonably suspect conduct that could be anti-competitive, they are required to report it in accordance with the Code of Business Conduct reporting requirements.

Training and communication

Broadspectrum regularly communicates this Policy to Employees across Broadspectrum through its established communication channels. Employees will also receive regular training on supporting and implementing this Policy in the scope of their employment with Broadspectrum.

Consequences for breach of this Policy

Anti-competitive behaviour is a serious offence under local and international laws. Breach of this Policy by Employees:

- could expose the Employee and/or the Company to severe criminal (a fine or imprisonment or both) and civil liability (a financial penalty and liability for damages)
- will be regarded by Broadspectrum as serious misconduct which may lead to disciplinary action, including termination of employment, and/or
- could lead to termination of contracts and civil claims from competitors or customers for damages, injunctions and other remedies.

Review of this Policy

The Group Executive, Legal and Governance is responsible for keeping this Policy up to date, a formal review will occur every two years, and the Board is responsible for approving this Policy.

Related documents

This Policy should be read in conjunction with Broadspectrum's other documents including:

- *Code of Business Conduct*
- *Conflicts of Interest Policy,* and
- *Business Partners Policy*.