As approved by BoD on 14. March 2016

Powerpipe

Anti-Trust Policy

1. Purpose and Scope

It is one of the fundamental principles of Powerpipe to strictly observe all national and international laws and regulations under which Powerpipe is operating and to maintain high ethical standards in conducting its business.

It is the strong belief of Powerpipe's management that not only the interest of Powerpipe, its employees and various stakeholders but also the interest of society is best served by a conduct in adherence with a policy which ensures fair competition. Therefore, it is the policy of Powerpipe to strictly comply in all respects with the anti-trust laws and regulations which strive to protect fair competition from any anti-competitive behaviour.

This Anti-Trust Policy ("Policy") comes into effect as per the date stated on the first page and is binding on all directors, officers and employees ("Employees") of Powerpipe. This Policy replaces any previous policy in effect in Powerpipe. Note however that anti-trust legislation is mandatory rules of law, which must be complied with at all times – also prior to the adoption of the first Powerpipe anti-trust policy.

2. Compliance with Anti-Trust Laws Is Unconditional and The Personal Responsibility of Every Employee

It is the unconditional policy of Powerpipe to fully comply with all applicable anti-trust laws and regulations worldwide and to enforce compliance throughout Powerpipe.

The Policy summarizes the basic rules of the anti-trust laws prevailing in the main jurisdictions where Powerpipe is active ("Basic Rules").

All Employees of Powerpipe must be familiar with and strictly observe the Basic Rules and the specific anti-trust regulations of the relevant jurisdictions in which they are operating or which are affected by their operations. Every Employee is held *personally* responsible to fully comply with the Basic Rules and the relevant specific anti-trust regulations. Non-compliance will be taken very seriously by the Company and will lead to personal consequences for the relevant Employees.

3. Serious Consequences of Violation of Anti-Trust Laws

Violation of anti-trust laws can lead to very serious consequences.

- The anti-trust authorities impose *high fines* against companies that violate the anti-trust regulations, in particular regulations prohibiting price cartels. Under EU law companies can be fined up to 10% of their group-wide annual turnover. Even if the illegal arrangement concerns one out of hundreds of products only, the fine is measured against the total turnover of the entire company with all of its products. Furthermore, violations of anti-trust law which have an effect in more than one country, may be (and often are) fined in several countries in parallel. The fines imposed have been steadily increasing during the last years

and have reached a size, which jeopardizes the survival of companies involved in cartels.

- In addition to the fines, companies violating anti-trust laws may be sued for *damages* by third parties (for example, customers) directly, or indirectly affected by the illegal behaviour. While in Europe (different from the US), damage claims have not been very common for a long time, the anti-trust authorities in Europe have started some years ago to encourage such private damage claims (often called "private enforcement"), and there is a clear tendency that such claims have been substantially increased and will further increase in terms of numbers and claimed amounts.

- The *reputation of Powerpipe* may be damaged seriously by bad publicity if Powerpipe or any of its Employees is found to have infringed the anti-trust laws.
- In addition, any clauses not in line with the various anti-trust laws and regulations are *null and void*, which may render the whole agreement to be invalid and unenforceable. In particular companies not (any more) "happy" with an agreement look for reasons get out of their contractual obligations and use the "anti-trust violation argument".
- The payment of fines, damages and related costs as well as the adverse publicity resulting from any violation of the relevant anti-trust laws may clearly jeopardize the long-term survival of Powerpipe. Therefore Powerpipe will not tolerate any behaviour of any Employee which is not in full compliance with the Basic Rules or the relevant anti-trust laws. Any Employee violating the Basic Rules or the anti-trust laws will face *disciplinary action (*up to and including immediate dismissal for cause).

- Some countries, such as the US and the UK, also impose *criminal sanctions against individual employees* involved in arrangements violating anti-trust regulations. Criminal prosecution does not include only personal fines (in addition to the fines levied against the companies), but also imprisonment for varying terms (in the U.S. you can usually expect one year imprisonment, possibly up to three years, and also in Germany bid-rigging is a criminal offence which may lead to imprisonment). Recently, company officers personally involved in cartels have been extradited to the country where the cartel was put into place.

4. Anti-trust laws and enforcement is a global compliance risk

Whereas in the past anti-trust rules were mainly in place and enforced in the EU and the US, today, up to now more than 100, including jurisdictions in Asia have enacted anti-trust laws. Even more important, violations of anti-trust laws are increasingly vigorously pursued and enforced by the relevant authorities.

Furthermore, business behaviour, which may still be legal in certain jurisdictions may have anti-trust impacts in other countries. It is decisive to note that the mere effect on other markets is sufficient for a possible infringement of the respective anti-trust law. For example, in a global economy, even actions outside Europe or the US may have an impact on the European and US markets and, consequently, fall under the strict European and US anti-trust laws. Therefore, all Employees –

even in countries, which do not have or do not practically enforce anti-trust laws – must observe the Basic Rules.

5. No "Good Friend" Anymore - Leniency Policies

In Europe, the most effective instrument to detect anti-trust violations and to enforce compliance is the leniency policy of the EU Commission. Most of the EU member states and the US have adopted similar policies.

Underlying principle of the leniency policies is that any company, which is the first to inform the relevant authority about an hitherto unknown cartel arrangement and supports the authority in pursuing the other cartel members will be immune from prosecution or benefit substantially from a reduction of fines. By far most of the cartel investigations of the EU Commission over the last years were triggered by such "whistle-blowers" who informed the Commission in exchange for immunity from fines.

Therefore, every Employee must be aware that any violation of anti-trust laws is highly likely to come to the attention of the anti-trust agencies at a certain point of time. As a result of the leniency programs, the probability that a violation of anti-trust law will remain secret over a longer period of time is very low indeed.

6. The Three Core Rules of Anti-Trust Law

Notwithstanding any differences in detail, for practical purposes anti-trust law can be reduced to three fundamental rules:

- Do not in any way coordinate your market behaviour with (potential) competitors.
- Do not unreasonably restrict the commercial freedom of customers or suppliers in any sale or supply contracts.
- Do not misuse your market power to exclude other competitors from the market or impede them without good reason or otherwise manipulate the market.

7. Agreements, Concerted Practices; Decisions and Recommendations

Anti-trust laws do not only prohibit agreements, which have an anti-competitive purpose or effect, but also concerted practices as well as decisions and recommendations of trade associations or undertakings, which have a similar effect. Note that the anti-trust laws prohibit agreements, which have an appreciable anti-competitive *effect* – also when there is no intention to curb competition. If in doubt, you should consult VP Legal & Compliance.

For anti-trust law purposes, the term "*agreement*" has a very broad meaning. "Agreements" may be written or oral, signed or unsigned, legally binding or not. Also a "gentlemen's agreement" is an agreement within the meaning of the anti-

trust laws. In recent cases, it has often been e-mails that have given away the existence of an anti-competitive agreement.

Furthermore, from the perspective of the anti-trust authorities, the fact that an enterprise may have played only a limited part in setting up the "agreement", or that it may not have been fully committed to the implementation of the "agreement", or that it participated only under pressure from other enterprises does *not* mean that the relevant enterprise is not party to the agreement. Moreover, there is a violation of anti-trust law already at the moment when you enter into an anticompetitive arrangement, even if you never implement it in the marketplace.

Anticompetitive arrangements are also prohibited if they do not reach the stage of an "agreement", but take place in the form of a "*concerted practice*". A concerted practice is given if two or more enterprises exchange their views or any information about their past or intended behaviour in the marketplace or where one party attempts to influence the other party to act in a certain way. As a consequence, price increases or any other market initiatives should never be discussed with competitors or be announced to competitors. In contrast, a concerted practice is not given if the market behaviour of the competitors is only observed and analysed and a conclusion is drawn therefrom in order to determine how Powerpipe shall respond to the market moves of the competitors.

The prohibition of anticompetitive arrangements extends also to *decisions, rules or recommendations* of trade associations. This has an obvious reason: if it is illegal that companies agree on their prices, it must also be illegal for the companies to form a trade association and to have that association take a decision or recommendation on the companies' prices.

8. Contacts with Competitors

a. In General

- Do not have any contact with competitors unless absolutely necessary. You must determine your market strategy independently of your competitors. Any contacts will raise suspicion by the competition authorities. However, you may observe the conduct of competitors and independently take that conduct into account when deciding on your own market strategy.
- Do carefully draft any correspondence (including e-mail) with competitors. Draft such correspondence as if anti-trust authorities were going to read it. Review and carefully draft the minutes of any meetings with competitors (in particular meetings of trade associations) in order to avoid any misinterpretation as an illegal coordination between you and your competitors.

b. Price Coordination is Prohibited

- Do not discuss (or agree upon!) any prices or price elements with competitors. Price agreements (whether explicit or implied, including concerted practices) are considered the most serious anti-trust law violations and are improper under all circumstances. This includes agreements on minimum prices, target prices, price initiatives, price increases, surcharges and other individual price elements, discounts or rebates.
- Do not inform competitors about your prices or about any price increases or decreases, you intend to make. You may, of course, inform your current and potential customers in the ordinary course of business.
- Do avoid any critical statements about the pricing policy of your competitors (such as "Company A has no price discipline") to avoid any misinterpretation of such statements by the anti-trust authorities.
- Do not discuss (and in particular do not agree upon) purchasing prices with competitors.
- Do not enter into joint-buying or joint-selling arrangements with competitors without having first obtained legal advice, because such arrangements are permitted only under very restricted conditions depending on the circumstances of the individual case.

c. Coordination With Respect to Market Sharing, Capacity, Production or Sales Volumes Is Prohibited

- Do not discuss with competitors the possibility of limiting production, aligning your product offer, fixing production quotas or otherwise limiting the supply of any product or services.
- Do not discuss with competitors the possibility of splitting up a market, for example by territory, by customers, by product or by industry.
- Do not discuss with competitors the possibility of exiting a market or closing a plant. Agreements with competitors having as their object the closure of a plant or the limitation of production capacity are illegal. Supply contracts with competitors in connection with the (planned) shutdown of a plant must be reviewed by the Compliance Officer of Powerpipe or outside legal counsel before negotiations begin.

d. Bid-Rigging Is One of The Most Serious Competition Law Offences

Do not discuss biddings or tenders to bid with competitors before first consulting with the Compliance Officer or outside legal counsel. In many countries (such as Germany, UK, and the US) bid-rigging is a criminal offence equivalent to fraud.

e. No Exchange of Information With Competitors

Do not exchange commercially sensitive information (including pricing, sales and market share information) with competitors. Information exchange systems for anonymous and historical data may be acceptable under certain restrictions, but setting up, providing information to or accessing such systems are subject to the prior approval by the Compliance Officer of Powerpipe or require prior "green light" by outside legal counsel. This applies also to information systems organized by third parties (in particular trade associations or service providers) which you may want to accede. It is acceptable if information is gathered independently – separate and apart from the competitor – through **official** websites or other documentation available to the public. When preparing market analysis based on data lawfully collected from public sources, make sure to state the source of the data in order to avoid allegations that the data was obtained illegally from competitors.

f. Legal Agreements with Competitors

Do ask the Compliance Officer of Powerpipe or outside legal counsel to review any proposed agreement with a competitor before discussing it with any external party (including the competitor). Certain agreements with competitors may be acceptable under certain conditions, such as co-manufacturing agreements, swap agreements, joint R&D and technology licensing agreements, or specialisation agreements. However, special market circumstances or individual contract clauses may render such agreements illegal.

g. Trade Associations Involve Continuous Risks of Violating Anti-Trust Laws

- Do remain extremely vigilant when attending meetings of a trade association. Trade association meetings are meetings among competitors! All topics that may not be discussed among competitors (see above) may not be discussed at trade association meetings either, and may not become the object of a decision or even a recommendation of a trade association.
- Do not attend any meetings of trade associations, which do not have a clear agenda. Missing or vague agendas may raise the suspicion of anti-trust authorities.
- Do not attend (or immediately leave) any meeting where subjects are discussed which are prohibited between competitors. You will not avoid a violation of the antitrust rules by remaining silent and not participating in the discussions. You must leave the room and record your absence in the minutes or in a personal note to the relevant file; the Compliance Officer of Powerpipe shall receive a copy of such minutes or note to your file. If you are concerned about what a meeting may involve, you should consider attending in the company of an external lawyer to advise you and evidence that you did not participate in illegal activities.

- Do not discuss any collective boycott against certain customers or suppliers as well as of certain distribution platforms or channels.
- Do not agree on 'objective' measures, e.g. product or environmental standards, which may in practice, serve to exclude competitors of the trade association's members from the market.
- Do avoid any “casual” meetings with competitors before or after the official meeting of the trade association. Powerpipe reserves the right not to reimburse any expenses in connection with such “casual meetings” (in particular invitations of competitors), unless it can be demonstrated that the meeting served a legitimate business purpose in line with anti-trust laws.

9. Be Careful In Relation to Restrictive Clauses In Vertical Agreements

While “*horizontal* agreements” are agreements between businesses at the same level of the production or distribution chain (see above), “*vertical* agreements” are agreements between businesses at different levels of the production or distribution chain. They include, for example, agreements between supplier and manufacturer, manufacturer and distributor, distributor and retailer, licensor and licensee. Vertical agreements as such are not prohibited by anti-trust law. However some provisions in vertical agreements which have an anticompetitive effect are prohibited or can be critical under anti-trust law.

Therefore, each Employee should be aware in particular of the following critical clauses in vertical agreements:

a. Exclusive distribution agreements

Exclusive distribution agreements (where the supplier agrees to sell to only one distributor for resale in a particular territory) can be illegal under European anti-trust law, depending in particular on the market share of the relevant parties. Therefore, before entering into such agreements the Compliance Officer or outside legal counsel should be consulted.

b. Territorial restrictions

- Do not impose on your customers or distributors the *prohibition to resell the products into another country or geographic area*, unless the Compliance Officer or outside legal counsel has approved such restrictive obligation. Under European law distributors may be bound only not to *actively* solicit customers outside the territory assigned to them under certain conditions, but “*passive* sales” (i.e. sales responding to un-solicited orders) to customers outside the assigned territory must not be prohibited. In contrast to this, in the US manufacturers are generally permitted to independently impose reasonable and justifiable territorial restrictions on resellers. However, it is illegal for a manufacturer to impose territorial restraints on a reseller at the request of a competing reseller.

- According to EU law, *sales by the Internet* are not considered a form of active sales and therefore cannot be restricted, unless the website specifically targets certain groups of customers. In particular the EU Commission does not allow the following restrictions of on-line sales: (i) requiring a distributor to prevent customers located in another territory from viewing its website or to re-route them to the manufacturer or another distributor, (ii) requiring a distributor to terminate transactions when the customer's credit card data reveal an address outside the distributor's territory, (iii) requiring a distributor to pay a higher price for products to be sold online or to limit its overall online sales.

c. Resale Prices

Do not impose on your customers or distributors the *resale price* of the products that the Company delivers to them. Imposing prices is permitted only with respect to an agent who sells the products in the name of Powerpipe and who is subject to the directions of Powerpipe. Forbidden resale price maintenance obligations imposed by a manufacturer or supplier can have different forms:

- Simply fixing a resale price,
- Setting a minimum resale price (in contrast to imposing a maximum resale price above which the buyer must not sell the goods and which is permitted in most jurisdictions). The prohibition against setting a minimum price also applies where your revenue is dependent on your customer's resale price, e.g. in a situation where you receive a percentage-wise royalty of your customer's sales. However, the Company may recommend prices to its customers or distributors, but there is a fine line between "suggestion" and "agreement" which all Employees must be exceptionally careful not to cross. The Compliance Officer should be consulted. Suggested resale pricelist must indicate very clearly that they are just suggestions and are not means to bind or coerce the customer and distributors may not be put under any factual pressure to observe the price list.
- Determining the distribution margin,
- Determining the maximum level of discount,
- Making the grant of rebates or the sharing of promotional cost conditional on adhering to a given resale price level,
- Linking a resale price to the resale price of competitors

ci. Non compete obligation

Non compete agreements (where the buyer agrees not to manufacture, sell or distribute in any other way competing goods) and *exclusive purchasing agreements* (where the reseller agrees to purchase all goods of a certain category or a very high percentage (e.g. more than 80 per cent) of its requirements from only one suppler) can be illegal under European anti-trust law (depending on the term of the restriction). Therefore, before entering into such agreements the Compliance Officer or outside legal counsel should be consulted.

e. "Most favoured nation clauses"

"Most favoured nation clauses" are clauses that shall ensure that the favoured party (= the purchaser) will get equally favourable terms as any other customer of the other party (= the supplier). Under European anti-trust law such clauses are generally admissible only as long as the respective market shares of the parties involved do not exceed 30%. If you have any doubts as to how a contemplated most favoured nation clause may affect competition in the market, you should consult the Compliance Officer.

f. "English clauses" or "meet or release clauses"

These clauses can be seen as the opposite of most favoured nation clauses. They usually foresee that the purchaser will inform the supplier about any cheaper offers he receives from a third party. The supplier has then the right to meet any such offer, in which case the existing contract will be amended accordingly. If the supplier decides against meeting the offer, the purchaser is free to switch to the other supplier. It depends on the individual circumstances (in particular market share of the relevant parties, exact wording of the clause) whether or not such a clause violates anti-trust regulations. Therefore, legal advice should be sought before agreeing on any such a clause.

In connection with the above critical clauses it should be noted that fines can be imposed on a company also if its distributor or other "vertical" business partner does not abide by the anti-competitive clause or if the clause is "avoided" but the business practice actually reflects a respective tacit agreement.

10. The Misuse Of Market Power Is Prohibited

Companies that hold a "*dominant* position" (rough rule of thumb: market share exceeding 40%) on a specific market, are prohibited from "abusing" their market power. To the extent that Powerpipe holds such a "dominant position":

- Do not employ any unfair methods or leverage your market position to exclude competitors from the market (e.g. by threatening competitors, through predatory pricing below variable costs, through price discrimination).

- Do base your decisions not to deal with a specific supplier, distributor or other customer on legitimate commercial reasons. Do ask the Compliance Officer or seek outside legal advice to review any proposed refusal to supply an existing or potential customer before doing so.

- Do not lock in your customers through long-term contracts covering the totality or the majority of their requirements, or through rebate schemes (fidelity rebates, top slice rebates, etc.).

- Do not charge prices which are excessive, i.e. which significantly above competitive levels as a result of monopoly or market power.

11. Investigations By Anti-Trust Authorities

If an antitrust authority requests information or shows up for a site investigation,

- you should immediately inform VP Human Resources and the Compliance Officer of Powerpipe and
- you should not make any statement without having first consulted with a lawyer.

Special guidelines of Powerpipe for the correct conduct in so-called dawn-raids of the anti-trust authorities are in place.

12. Duty To Inform

If you become aware of any agreements or practices which you suspect may involve sharing markets, boycotts, pricing abuses or any other conduct you think may be illegal or a breach of this Policy, you are obliged to inform the Compliance Officer. Alternatively you can use the Whistleblowing System upon availability.

13. Training

In order to ensure that all relevant Employees are trained in the content of this Policy, hereunder measures to take to ensure compliance with this Policy, Powerpipe have implemented various training initiatives, hereunder an e-learning programme. Powerpipe will continuously strive to optimize its efforts in this regard.

14. Questions

In case of any questions about the Basic Rules of antitrust law or antitrust laws in general you should contact the Compliance Officer or local legal counsel.

On behalf of the Company and the Board of Directors

Line Dissing Mønster
Compliance Officer