

HEADCROWN GROUP PLC  
**COMPETITION POLICY**

Ethical behaviour is central to our business ethos. The market position of the Group and its subsidiaries is predicated upon our good standing in the market, our reputation for honesty, non-adversarial and ethical behaviour and the trust we have built up with our clients. We recognise that any breach in Competition Law by the Group will fundamentally undermine this position and cause material damage to our business.

In the UK, anti-competitive behaviour is prohibited under Chapters I and II of the Competition Act 1998 and Articles 81 and 82 of the EC Treaty. These laws prohibit agreements between businesses that prevent, restrict or distort competition or are intended to do so and which affect trade in the UK and/or EC. Agreements likely to be prohibited include those which have the object or effect of:

- Directly or indirectly fixing prices to be charged for goods or services
- Fixing trading conditions
- Sharing markets
- Limiting or controlling production or investment
- Cover pricing
- Collusive tendering (bid rigging)
- Sharing information
- Exchanging price information
- Exchanging non-price information
- Discriminating between customers

As a business, we fully comply with competition legislation. Our employees will not enter into any understanding or agreement with a competitor with the purpose or effect of influencing the price or restricting the availability of any service that a Group Company or the competitor provides on its behalf or for a third party. Pursuing an anti-competitive course of conduct for any reason whatsoever is not acceptable. There are no excuses for violating competition laws and any breach by an employee will be treated severely by the Group. Furthermore, we recognise that employees and the Group may be subject to criminal prosecution for breaches of such laws.

We will not enter into agreements or arrangements with any other person that they refrain from tendering or as to the amount of any tender to be submitted. We will not enter into any collusive bid arrangement under any circumstances. We will not share market sensitive information with any competitors.

Where any doubt exists in the mind of an employee, the matter should be brought to the attention of the Managing Director of the relevant business. Where an employee intentionally or negligently involves the Group in an infringement of Competition Law, they will be subject to disciplinary action which may include dismissal.

In order to ensure compliance in this critical area, we have rolled out training on a regular basis to all employees who have dealings that may impinge on competition law. Furthermore we have implemented processes across the Group to ensure that the policy is being adhered to and that compliance is reported at regular intervals to the Group Board.

CARL BRIAN  
CHAIRMAN, HEADCROWN GROUP PLC  
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