

Code of Conduct

Common Norms of Conduct for the Maintenance of Anti-Trust Regulations

for

PPA-Europe

and its

Members

Former versions: October 2012, October 2014

Status: October 2019

PPA-Europe is a registered association and pursues the aim of securing quality standards when dealing with metal lightweight construction components. The work of PPA-Europe includes the drawing up of technical rules and guidelines, informing and advising members on all questions relating to materials and building constructions, the representation of the professional interests of members at authorities, standards committees and other specialist bodies at an international level and the marketing of metal lightweight constructions.

In the Code of Conduct shown here PPA-Europe and its members commit themselves to maintaining the applicable competition rules and actively opposing every form of behaviour which is contrary to anti-trust law. For this purpose, the most important anti-trust regulations are shown below. However, this Code of Conduct cannot cover all matters relating to anti-trust law. It attempts, nevertheless, to identify in an abstract form the most important standards and principles. The Managing Committee of PPA-Europe is prepared to answer any questions relating to this.

The subject matter of the regulations of the Code of Conduct is circumstances relating to the tasks and areas of work. Outside PPA-Europe it is the sole responsibility of the members to ensure the maintenance of competition regulations by the use of suitable measures.

PPA-Europe and its members are aware that violations of anti-trust law can have far-reaching consequences. The European Commission can impose fines of a maximum of 10% of the total global turnover of the companies involved. PPA-Europe as an association is liable to an amount of up to 10% of the total of the overall turnover of its members. In addition, PPA-Europe is obliged to demand contributions from members to cover any possible fine in a case of insolvency. The member companies also have a joint and several contingent liability. Under the German anti-trust law, individuals (Managing Directors; employees directly involved in the agreement) may have a fine imposed upon them. In the USA and Great Britain certain violations of anti-trust law are treated as criminal acts. In addition, any agreements made are invalid under civil law and are not legally enforceable. This may result in the cancellation of a complete contract. Other negative consequences are possible damage claims, negative reporting in the press, negative reaction by customers and damage to company image.

PPA-Europe and its members will determine appropriate penalties in cases of infringement of anti-trust regulations. Attempted actions alone will essentially lead to an exclusion from PPA-Europe. PPA-Europe and its members commit themselves to opposing all situations which may endanger anti-trust law from their very beginning. This includes the participation in training events and seminars on anti-trust law which PPA-Europe organises at regular intervals for its members.

This Code of Conduct is binding on PPA-Europe and its members. Potential new members and guests must be informed about anti-trust laws and regulations. All members must sign this Code of Conduct and will receive a copy.

1 General Rules

PPA-Europe and its members will observe the regulations of German and European anti-trust law. Anti-trust law protects the effective competition between companies. Agreements and coordinated forms of behaviour between competitors which influence prices or conditions, which divide up sales regions or customers or which hinder free and open competition in any other incorrect manner are forbidden unless they are expressly permitted by law. The same applies to decisions taken by joint ventures.

Thus, agreements are forbidden on e.g.:

- prices or pricing elements (price cartels);
- capacities or delivery quantities (quota cartels); or
- the division of turnover (customer allocation) or contractual territories (territory cartels).

This list is not exhaustive.

Cartel agreements are all arrangements which lead or could lead to a restriction of existing or potential competition. It is sufficient for this that:

- it is intended to make use of a particular pricing procedure for prices;
- agreement is made on a general price increase;
- allowances, discounts and profit margins are unified; or
- it is intended that general terms and conditions of sale are aligned with each other.

The competition rules do not just apply to formal or written agreements but also to arrangements, such as "gentlemen's agreements". They also apply to forms of agreed behaviour, such as if one party indicates how its company will in future act in the market place. Even the one-time exchange of competitively sensitive information can constitute an infringement of the prohibition on cartels.. Recommendations from trade associations are also subject to the prohibition to form cartels (for example: the association recommends that its members increase their prices).

Competitive sensitive information includes in particular company-specific, current or future information about

- prices, discounts, price increases, price components and pricing policy;
- Customers and suppliers
- Production costs, quantities, sales figures, capacities and sales
- quality and marketing plans
- risks, investments, technologies and research and development programs and their results.

So-called vertical agreements (i.e. agreements of companies who are not competing with each other) are also subject to the prohibition to form cartels. Vertical agreements are typically made between companies at different levels in the market (for example: supplier / manufacturer; manufacturer / dealer). However, restrictions in vertical agreements are generally regarded as being less damaging to competition than agreements between competitors. Exceptions apply to price fixing (for example: a manufacturer dictates the final price to the dealer), customer restrictions

and restrictions on parallel trade between member states of the European Union. Extreme caution should be exercised here.

Anti-trust law also prohibits the abuse of a dominant position in the market. This applies normally only to companies which have a dominant position in the market. An indication of market dominance is the market share. According to European anti-trust law, market shares of 40% and above may be a sign of market dominance. In German anti-trust law the threshold for market dominance lies even lower. However, anti-trust law does not forbid market dominance as such but rather only its abuse. According to this, the following may be forbidden:

- price cutting with the intention of squeezing out a competitor or sales under cost price;
- price discrimination and price abuse;
- tying;
- refusals of delivery and of licensing;
- the abuse of industrial property rights;
- long-term supply contracts and discounts.

2 Special Rules

2.1 Procedures for the Exchange of Market Information and Benchmarking

The exchange of market information and benchmarking are essentially accepted marketing instruments for the promotion of competition. They enable companies to take stock of the situation in the market and simplify the forecasting of market volumes and expected demand.

The exchange of market information and benchmarking may present a risk potential in terms of anti-trust law. This is the case if the exchange of information relating to competition may lead to a coordination of market behaviour. Here a restrictive approach should always be applied. PPA-Europe and its members will ensure the maintenance of these standards. Therefore, the following sensitive market information relating to competition (i.e. such information which is insufficiently summarised or which cannot be regarded as historical) will not be published:

- prices, component elements of prices and the methods of calculation;
- the order situation, turnover and sales development;
- supply relationships and conditions of supply;
- capacities and their utilisation;
- market strategies, product launches, research and development projects;
- investments and the sale of parts of companies.

Market information or benchmarking systems which are operated by PPA-Europe or its members must satisfy the following conditions:

- The procedure is carried out by a neutral organisation which is both geographically and organisationally separated from the competitors. This may be a trade association.
- This organisation publishes only general statistics and market data which is rendered anonymous.
- The calculation of the market volume is permitted. This can be done by the participating companies reporting their turnover and volume figures to an independent organisation which evaluates these data and later only distributes the abstract market volumes to the participating companies.
- If data are published from which conclusions can be drawn about certain companies, then these must be historical market data (older than 12 months).
- The more regularly these data are published, the more anonymous and older they must be.
- No problems occur in principle with freely accessible sources, such as articles from trade magazines or extracts from trade registers.
- No remarks or comments will be published which recommend, encourage or suggest a particular form of market behaviour.

2.2 Technical Collaboration and Other Forms of Cooperation

The services provided by PPA-Europe include the drawing up of technical rules and guidelines and the issuing of the EPAQ quality label to manufacturing companies.

PPA-Europe and its member companies commit themselves to observe the requirements of the anti-trust law when carrying out this form of work and collaboration.

When drawing up technical rules, attention must be paid to the possibility of unrestricted participation on the work on the guideline, also for non-members, and to the selection of a transparent procedure. Third parties must be permitted access to the guideline on fair, reasonable and discrimination-free conditions.

The criteria for the issuing of the quality label must be objective, self-justifying and discrimination-free.

PPA-Europe and its members commit themselves to permit inspection at regular intervals of intended or implemented forms of collaboration by legal consultants specialising in anti-trust law.

2.3 Voluntary Commitments

Voluntary commitments are unilateral or multilateral commitments from companies to behave in a particular manner. Voluntary obligations are frequently politically motivated in order to possibly achieve certain environmental goals (for example: the voluntary commitment of the automotive industry to vehicle recycling) or the opening up of markets (for example: the agreement of trade associations on electricity).

Anti-trust law prohibits in principle voluntary commitments where they regulate the use of action parameters in a competitive situation and, as a result, have an influence on the market behaviour of companies. On the other hand, voluntary commitments frequently pursue desired public policy objectives which promote business and technical progress. Such voluntary commitments are fundamentally exempted. However, a pre-condition is that the selected commitment is essential for the objective which is being pursued and is not disproportionate.

PPA-Europe and its members commit themselves to only enter into voluntary commitments after they have been examined by a legal consultant specialised in anti-trust law.

3 Procedural Requirements at Assemblies and Meetings at PPA-Europe

PPA-Europe and its members commit themselves to observe the quoted principles at assemblies and meetings. The following procedural regulations must be observed for this.

Before every meeting an agenda must be drawn up and sent to the members and other participants. The person responsible for this is the meeting chairperson (Chairman of the Board / Head of Department / Committee Chairman).

It must unequivocally be seen from the agenda that the requirements of anti-trust law were observed during the planning and organisation. Where necessary, it must be clarified that particular subjects or matters were legally examined.

The meeting chairperson will nominate a keeper of the minutes or will be responsible himself or herself for the taking of minutes at the meeting.

If spontaneous expressions with a content relevant to anti-trust law are made during the course of meetings or assemblies, the meeting chairperson will interrupt the meeting immediately and cut off the person making the expression.

If there is a suspicion of a violation of anti-trust law, the meeting chairperson and the other participants must dissociate themselves from this without delay. The objection must be minuted and the name of the person making the expression and those members dissociating themselves from this noted in the minutes.

Should there be any doubt as to the relevance to anti-trust law of the expression, the meeting chairperson will defer the issue and seek legal advice without delay. Before receiving approval from a legal consultant specialised in anti-trust law, the meeting will in all cases not continue with discussions on this topic.

4 Declaration

Through my signature I declare that I have read and understood the Code of Conduct shown here and that I have also appropriately informed my employees of it.

This Code of Conduct is binding on PPA-Europe, its committees and its members. New members must be made aware of it and must sign it.

I will neither undertake nor support any actions which, as detailed in the comments given in this Code of Conduct above, violate anti-trust regulations. Where there is doubt as to the legality of any actions, I will inform the bodies within PPA-Europe who are authorised to make such decisions without delay.

For PPA-Europe,

the Managing Committee:

..... Jean Christophe Kennel Marseille, 14.10.2019
President

..... Markus Haiden Marseille, 14.10.2019
Vice President

..... Ihsan Tolga Akar Marseille, 14.10.2019

..... Artur Krzywulski Marseille, 14.10.2019

..... Filippo Regoli Marseille, 14.10.2019

..... Silvo Štih Marseille, 14.10.2019

..... René Timmerman Marseille, 14.10.2019

the Quality Committees:

..... Jürgen Schmied Marseille, 14.10.2019
Chairman

the Secretariat:

..... Ralf Podleschny Marseille, 14.10.2019
Secretary General

..... Daniel Cumpănașu Marseille, 14.10.2019