

**ANTITRUST COMPLIANCE POLICY**

**CHANGE CONTROL**

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**1. PURPOSE**

Dragados USA and its US affiliated companies, including Pulice Construction, Inc. (jointly referred to as “DUSA” or “the Company”) expresses its absolute commitment to compliance with all applicable antitrust regulations through its Code of Business Ethics and Code of Conduct, which sets forth the basic ethical principles to be followed by all of its directors, executives, and employees, and specifically, the commitment to free, fair, and honest competition to which all members of the Company must adhere.

In furtherance of that commitment, the Company adopts this policy to provide greater clarity to all members of the Company regarding their individual obligations to comply with all applicable antitrust regulations and inform on the potential consequences for both the Company and themselves individually.

**2. SCOPE**

This Policy applies to all officers, executives, and employees of the Company, irrespective of their roles or hierarchy within the Company.

This Policy also applies to those persons or companies who act in the presence of other organizations in the name and on behalf of the Company. In such cases, and within their scope of competence, they shall promote compliance with the principles contained herein.

**3. POLICY STATEMENT**

It is important to understand that any violation by a company of the antitrust laws can have severe reputational, operational, and monetary consequences for such company and can sometimes even lead to criminal prosecutions and debarment proceedings against the company. Individuals found to have participated in such improper conduct can be hit with potentially significant fines and, under certain circumstances, may face jail sentences.

This Antitrust Compliance Policy (the “Policy”) is an expression of the ethical culture of compliance that forms part of the values of the Company, and it formalizes the Company’s absolute and utmost commitment to competition compliance in connection with its operations in the United States of America. As the common foundation and framework for compliance with US competition laws for the Company, this Policy will apply with appropriate adaptations to the variety of the activities carried out across all US operations. It is particularly important to understand that, especially given the visible nature of much of our work, the large size of many of the projects we find ourselves bidding on, the number of bidders able to handle such large projects, and the fact that much of our work is for clients in the public sector (often with significant public funding), there will be ongoing scrutiny of our activities to confirm the Company’s antitrust compliance.

This Policy places the responsibility of compliance with all applicable antitrust and competition laws on every Company director, officer, and employee. Compliance is therefore mandatory for all such personnel, and it should inform their behavior in all applicable areas.

Violations of this Policy are grounds for disciplinary action up to and including termination of employment.

While it is not possible to describe in detail all of the US antitrust and competition laws that affect our business, the purpose of this Policy is to make you aware of the general requirements of US antitrust and competition laws and the kinds of conduct that can raise antitrust issues, particularly in connection with the Company's core business activities.

All Company officers, executives, and employees are expected to read this Policy carefully and complete assigned training sessions in order to be adequately prepared prior to attending any meeting or event with competitors so they can recognize activities with potential antitrust sensitivities. Moreover, every Company officer, executive, and employee are expected to contact Compliance or Legal for advice and assistance whenever there is any doubt or uncertainty about an existing situation or proposed course of action.

#### 4. US ANTITRUST LAW OVERVIEW

US antitrust laws prohibit businesses from engaging in a wide range of anticompetitive conduct including, for example, price-fixing and other cartel activity, anticompetitive mergers and joint ventures, unduly restrictive distribution practices, and exclusionary conduct designed to achieve monopoly.

The US antitrust laws apply to individuals and legal entities alike, and to companies doing business in the US as well as to companies doing business abroad when their practices affect US consumers.

The Sherman Act is the cornerstone of American federal antitrust law. Section 1 of the Act prohibits agreements that unreasonably restrain trade, while Section 2 prohibits the illegitimate acquisition or maintenance of monopoly power, generally defined as the ability of one company acting alone to control prices or exclude competition.

American buyers and sellers have the right to expect the benefits of free and open competition, including the best goods and services at the lowest prices. Public and private organizations often rely on a competitive bidding process to achieve that end. The competitive process only works, however, when competitors set prices honestly and independently. When competitors collude, or when dominant companies exclude rivals, prices can rise and quality decline, thereby shortchanging the customer. Price fixing, bid rigging, and other forms of collusion are **illegal** and subject to **criminal** prosecution by the Antitrust Division of the United States Department of Justice.

In addition, nearly all 50 states, the District of Columbia, Puerto Rico, and the US Virgin Islands have their own antitrust statutes. State statutes empower state attorneys general to enforce state and federal antitrust laws. Some states may also prosecute state antitrust offenses **criminally**. In addition, almost all states provide for private actions for actual, double, or even treble damages for certain anticompetitive conduct. State antitrust laws are not pre-empted by federal antitrust laws. Both can apply concurrently.

#### 5. DEFINITIONS

**It is important to understand some of the common terms of antitrust and competition law.**

- **“Collusion, Conspiracy, Combination”** all pertain to activity that is undertaken in connection with common purposes among companies. These can be as formal as written contracts and as informal as mutual recognition of another company's intentions or desires.

- **“Price Fixing”** describes situations in which competitors collectively determine the prices they charge for their goods or services, set minimum prices that they will not sell below, reduce, or eliminate discounts, or otherwise agree to financial terms and conditions they offer.
- **“Bid Rigging”** describes agreements among competitors as to the bids they will submit in response to customer requests. Bid rigging typically occurs when a purchaser solicits bids to purchase goods or services, and bidders agree in advance who will submit the bids or what bids they will submit. The elimination of competition among bidders can allow the winning bid to exceed the price a competitive market would otherwise produce.
- **“Customer or Market Allocation”** is a scheme in which companies agree to divide customers, products, or geographic areas among one another. A typical case involves an agreement that one company will not bid (or will submit only a fictional bid when a solicitation is made by a customer or in an area that the company has ceded to another. This scheme may involve quoted prices or terms as well as discrete bids.
- **“Concerted Refusal to Deal”** is generally an agreement among competitors to refuse to do business with another firm, including another competitor, a supplier, or a purchaser. Concerted refusals to deal can also involve an agreement among competitors on the terms of doing business with another entity.
- **“Monopolization”** refers to the use of improper business practices to achieve economic power in a market. The antitrust laws do not forbid companies from achieving dominant positions by outcompeting their rivals with better products or services, but if a company stifles competition by illegitimate methods – like organizing boycotts, stealing trade secrets, bribing buyers, or building barriers that impede rivals – success may mean monopolization. Attempting to monopolize, even if not successful, is also illegal.

## 6. PER SE VIOLATIONS

Some practices are illegal irrespective of justification because they are considered to be so likely to cause harm that courts do not entertain defenses. These violations almost always involve competitors colluding with one another. An illegal agreement can be tacit or explicit, for example a wink, a nod, a mutual expectation of reciprocity, an exchange of favors, or an offer accepted through performance.

- *What do these practices include? Competitors agreeing to:*
  - Fix prices, terms, or conditions of dealing;
  - Restrict output;
  - Allocate customers, territories (e.g., one gets western states while other gets the east) or products (e.g., one bids on tunnels while the other takes bridges);
  - Rig bids;
  - Refuse to deal (e.g., two competitors agree not to deal with a particular distributor).

People who enter into these agreements can face criminal prosecution, fines, and imprisonment in the United States, as well as treble damages (triple the surcharge gained through the agreement). Companies can face criminal penalties and treble damages as well.

- **All** individuals and companies involved can be found **jointly and severally liable** for violations.

## 7. RELATIONS WITH INDUSTRY COUNTERPARTS

Some activity involving multiple companies can be illegal under certain circumstances, but permissible in other situations. Legality depends on the impact of the activity on competition in a market. When joint conduct impairs competition, it is prohibited as an unreasonable restraint of trade.

Activity that is prohibited by law and this Policy require an agreement (implicit or explicit) between companies at a level, which need not be competitors. The agreement must impede overall competition. A competitor losing business is not enough to establish a violation.

- *What do these practices include? Agreements that:*
  - Regulate industry practices, like advertising and marketing;
  - Prohibit sellers, assets, or businesses from competing with buyers for an extraordinarily long time;
  - Commit companies not to hire competitors' employees;
    - Limited non-compete clauses in *employee* contracts may raise issues.

Potential consequences include restrictive injunctions and treble (triple) damages. If a conspiracy is found, all conspirators, individuals, and companies, can be deemed **jointly and severally liable**.

If an agreement improves competition – for example by making parties more efficient – it is generally allowed.

- *What practices are typically permitted, as long as violations don't otherwise occur?*
  - Mergers and joint ventures that enhance companies' capabilities to provide goods and services, unless the joint activity reduces competition or tends to monopoly;
  - Socializing with friends who work at competitors;
  - Attending trade association meetings;
  - Attending presentations on the state of the economy or the markets.
  - Adopting ethical guides to preventing confusion, fraud, and deception;

## 8. VERTICAL RESTRAINTS

A vertical restraint is an agreement between parties at **different** levels of production or distribution that limits the commercial activity of one or the other. Vertical restraints can affect competition in different ways. They can make companies more effective competitors, or they can restrain overall competition. Antitrust law focuses on the vertical restraints that are **anti-competitive** in that, on

balance, they hurt more than help competition.

- *What do these practices include? Agreements that:*
  - Commit most of the available upstream or downstream producers in a market to deal exclusively with the company;
  - Require purchasers to buy bundles of goods or services that make it difficult for producers of bundle components to sell their goods;
  - Set prices that customers advertise or charge;
  - Restrict customers to certain territories or sectors;

Any of the above that cannot be shown to improve the ability of companies to compete could be found illegal and therefore prohibited.

- *What practices are probably OK? Those that enhance efficiency, such as by:*
  - Responding to customer demands;
  - Preventing emulators from free riding on dedicated customers;
  - Maintaining quality of goods or services.

## 9. POTENTIAL MONOPOLISTIC CONTENT

Sometimes a single firm, acting alone, can violate the antitrust law if that firm uses illegitimate tactics in an effort to acquire or maintain a dominant position in a product or geographic market.

- *What do these practices include?*
  - Acquiring all available resources necessary to produce a product;
  - Stealing proprietary information;
  - Deceiving customers about a company's or competitors' offerings;
  - Pricing below costs of goods sold.
- *What practices are probably OK?*
  - Winning almost all auctions with the lowest bids;
  - Providing service quality that nobody else can match.

Companies found to have attempted or succeeded at illegal monopolization can face injunctions and treble damages.

## 10. EVERYDAY GUIDANCE

- Never discuss past, present, or future prices or outputs with a competitor.
- Never discuss splitting or sharing customers or markets with a competitor.
- Never discuss with competitors collectively threatening not to deal with a purchaser.
- Never discuss proprietary information, product pipelines, marketing plans, or R&D strategy with competitors.
- Remove yourself from any potential Antitrust predicament.
  - Object to impermissible statements, exit conversations, and complete and submit the SF-01 form to Compliance and Legal if you hear or see a discussion inviting potential antitrust violations.
  - Common “red flags” that signal a problem include these kinds of statements among competitors:
    - “I’m just saying what everyone is thinking.”
    - “We all know where the industry is going.”
    - “We all know what’s happening out there.”
    - “Antitrust is just a few million dollars; it’s worth the risk to have the discussion.”
    - “A lawsuit is affordable compared to the commercial advantage we could gain.”
    - “We’re all just having drinks and talking. It’s not serious. We’re not on the record here.”
    - “Can we take this off the record?”
    - “I know we shouldn’t talk about this, but...”

## 11. DOCUMENT CREATION

Documents, including presentations, emails, and chats, often form the basis of antitrust claims. Government enforcers and private plaintiffs often point to sloppy language or language taken out of context to support:

- Price-fixing, bid-rigging, or market allocation claims;
- Price discrimination or monopoly claims;
- Challenges to mergers and acquisitions by the company.

Avoid using ambiguous language, boasts, and taunts- even in jest:

- Don’t suggest impaired competition or collusion.
  - such as “they will follow our lead” or “we have stabilized prices.”
- Don’t suggest that a business unit has pricing power.

- terms like “our monopoly,” “we dominate,” “the business barriers,” etc.
- Don’t disparage competition or threaten competitors.
  - concepts like “nobody can compete with us” or “we will crush them.”
- Don’t use antitrust terms against yourself.
  - like “this restraint may be unreasonable” or “let’s rig this one”

## **12. RESPONSE TO FEDERAL INVESTIGATORS**

If the FBI shows up to Company offices or to a Company project site with a search warrant, please adhere to the following steps:

- Do not impede the FBI’s search in any way;
- Get a copy of the search warrant;
- Call PULICE Legal immediately; and
- Take notes of the FBI’s actions during the course of the search.

## **13. COMPLIANCE OF CONTRACTORS**

Pulice may be exposed to antitrust risks when leveraging contractors. Thus, our agreements with contractors should include their commitments to abide by the antitrust laws and their obligation to train their employees.

## **14. ANTITRUST AUDITS**

Our antitrust compliance program includes annual external audits to determine whether the Company Antitrust Compliance Program adequately addresses the risk mitigation plan of the Company. The Company will correct practices that are not adequate or that carry unnecessary risk. Such audits can occur any time, with or without notice, and they will include reviews of documents (including emails), and interviews with Company employees.

## **15. REPORTING OF VIOLATIONS**

All employees have an affirmative duty to report known or suspected violations of this Policy to the Pulice Compliance Helpline at 1-877-452-3541 or online at <https://dragadosgroup.ethicspoint.com>.

Any employee who violates this Policy will be subject to disciplinary action up to and including possible termination of employment.

Violations by a Business Partner of applicable antitrust regulations shall be handled in accordance with the appropriate contractual clauses and include potential termination of the agreement and other legal remedies by the Company.

## **16. REVIEW**

The Company devotes a significant amount of time and effort to its US antitrust and competition law

compliance program for a number of reasons:

- The reputational risks and the sanctions for violations are severe.
- Antitrust investigations and litigation are costly and disruptive to business.
- It is the right thing to do.
- Antitrust issues arise in many varied, and sometimes subtle, forms.

We must guard against complacency at the Company. Enforcement authorities continue to vigorously prosecute anticompetitive conduct and to increase their cooperation in doing so. Even where the law has not actually been violated, conduct or language creating the appearance of anti-competitive conduct may result in burdensome investigations or litigation. What we do today may be evaluated years from now with the benefit of hindsight.

It is important to remain vigilant in avoiding actions or circumstances that could lead to antitrust allegations and to identify some of those actions and circumstances so that you can avoid even the appearance of improper conduct. Antitrust compliance is the responsibility of every employee. In carrying out your responsibility, please work closely with Pulice Compliance and Legal to achieve your legitimate business objectives within the law.

Please contact Pulice Compliance or Legal whenever you are concerned about:

- Antitrust **risks**.
- The legality of a **proposed** course of **conduct**.
- A **communication from a competitor** involving any topic that is a **matter of competition**.

**APPENDIX**

**SF-01 REPORTING FORM TO COMMUNICATE PROFESSIONALLY RELEVANT MEETINGS AND CONTACTS WITH COMPETITORS.**

In accordance with the provisions of Dragados Group's *Monitoring procedure for meetings and contacts with competitors*, this form must be completed and submitted to the relevant compliance body no later than 7 calendar days after the end of the meeting. This is to be done through the ethical channel of the company to which the person who participated in the meeting belongs.

This form must be completed when, in the course of the meeting, a conduct contrary to antitrust regulations has been committed or has been considered, as defined in the Dragados Group's *Monitoring procedure for meetings and contacts with competitors*. The obligation to submit this form applies both to scheduled meetings and to any meetings that may take place randomly.

**Important:** Do not forget to include and attach to this form all relevant documentation or information available regarding the meeting. The competent compliance body may, if necessary, demand that you provide additional information or documentation.

**I. INFORMATION CONCERNING THE CIRCUMSTANCES OF THE MEETING:**

**Date of the meeting:**

**Start and end time of the meeting:**

**Indicate whether this was a scheduled or random meeting:**

**Venue of the meeting:**

**Attendees on behalf of Dragados Group:**

Name(s) and Surname(s)	Job position	Company of Dragados Group

**Attendees on behalf of Dragados Group's competitors:**

Name(s) and Surname(s)	Job position	Company

**II. INFORMATION CONCERNING THE CONTENT OF THE MEETING:**

**Purpose of the meeting:**

**Possible evidence or irregularities detected:**