PROTOCOL ON THE CREATION OF CONSORTIUMS WITH COMPETITORS

RECORD OF AMENDMENTS

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Ed. 1	Approval of the document

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1. OBJECT

IRIDIUM CONCESIONES DE INFRAESTRUCTURAS, S.A. ("**IRIDIUM**" or the "**Company**") and its subsidiaries (collectively referred to as the "**Iridium Group**") form part of the Group of companies whose parent is ACS Actividades de Construcción y Servicios, S.A. (the "**ACS Group**").

For this reason, the members of the organisation (members of the managing bodies, management personnel and other workers) of the Iridium Group must comply with the Code of Conduct of ACS which establishes the basic ethical principles that workers and management have to follow.

This notwithstanding, IRIDIUM has its own Code of Conduct, which reflects the particularities of the activity carried out by the Company. Moreover, IRIDIUM maintains its full commitment and at the highest level, to comply with the competition regulations, a commitment that all the members of the organisation must respect.

In this context, and in view of the usual business activity of the Iridium Group, it is necessary to establish some specific, clear guidelines for the creation and management of consortiums, joint ventures and any other form of collaboration with third companies, (a "**Consortium**"). Thus, the object of this Protocol is to establish a series of guidelines and controls that makes it possible to reduce and, if applicable, prematurely detect the competition risks associated with the creation and management of consortiums with competitor companies.

2. SCOPE

This Protocol applies to all the members of the managing bodies, management and other workers who maintain relations with companies in the Iridium Group, regardless of the legal nature of their relationship and, in particular, all those persons involved in the selection, negotiation and contact with Consortium business partners as well as in the day-to-day management of the same.

3. CONSORTIUMS UNDER COMPETITION LAW

The creation of Consortiums for public-private collaboration is a lawful mechanism, expressly envisaged and regulated in The Public Sector Procurement Act[1]. Moreover, they are bodies that are useful from a business perspective as they can generate significant efficiencies in the area of public procurement and, by extension, for society in general.

However, the creation of Consortiums involving competitor companies (actual or potential) can be sensitive from a competition law perspective, in particular when:

[1] The Public Sector Procurement Act (*Ley 9/2017, de 8 de noviembre, de Contratos del Sector Público*), transposes the Directives of the European Parliament and of the Council 2014/23/EU and 2014/24/EU, of 26 February 2014, into Spanish law.

- the creation of the Consortium is not objectively justified.
- the creation of the Consortium is part of a wider pattern of conduct that contravenes competition legislation.
- the creation of the Consortium gives rise to improper exchanges of sensitive commercial information between competitors.

The above conduct could be considered contrary to article 1 of the Spanish Competition Act[2] ("**LDC**") or article 101 of the Treaty on the Functioning of the European Union ("**TFEU**"), constituting very serious violations of competition legislation and giving rise to sanctions of up to 10% of the worldwide turnover of the group to which IRIDIUM belongs, as well as the risk of a disqualification preventing it transacting with the public sector.

This Protocol addresses these risks and offers guidelines on how to minimise them.

4. GUIDELINES

4.1 PRIOR TO THE CREATION OF THE CONSORTIUM

I. PRIOR ANALYSIS AND PREPARATION OF THE EXPLANATORY REPORT

Prior to the formation of the Consortium with actual or potential competitors, the persons responsible for the creation of the Consortium and, in particular, of the selection of the business partners, will have to carry out a prior analysis of the objective need for its creation.

This prior analysis will have to provide a response to the question of whether IRIDIUM or any of the other companies comprising the Consortium, including, if applicable, other companies belonging to the ACS Group, have in reality sufficient capacity to participate and perform the contract autonomously. Thus, generally speaking, a Consortium is considered objectively necessary when (i) the companies comprising it would not be able to take part in the tender process individually, as they lack the technical, economic or human resources, or; (ii) under certain conditions, when the Consortium generates business synergies (efficiencies) that would not be generated if the companies bid individually.
It is worth mentioning that the competition authorities of several European Union countries use a variety of factors to determine whether there effectively is an objective need, adapting the criteria to the information available and the configuration of the relevant market, as well as the conditions of the tender process and the respective lots.

In order to properly assess the position of the potential business partners, the persons responsible for the creation of the Consortium, following consultation and subject to the safeguards indicated by the legal advisors of the Iridium Group, can request (i) information on the financial situation of the third company (financial solvency), as well as (ii) references of its prior experience in similar matters or projects (technical solvency).

[2] *Ley 15/2007, de 3 de julio, de Defensa de la Competencia*.

Having gathered the necessary information, an explanatory report will have to be drafted setting out in as much detail as possible the reasons that prevent the submission of an individual bid in the tender process or the efficiencies that would derive from the creation of the Consortium.

The explanatory report will have to provide sufficient justification of the existence of one or more of the following actors. Whether or not the Consortium is justified will be determined by the application of these factors, analysed as a whole:

- Impossibility of the companies bidding separately due to an insufficiency of human, material, economic and/or technical resources to perform the entire contract on an individual basis. By way of example, the creation of the Consortium could be justified on the basis of specific technology or specialisation possessed by just one bidder (not IRIDIUM); services, technical and/or financial requirements that a single company cannot assume or on the basis of specific investments required by the bidding specifications.

  If possible, it is recommended that a reference be included to other similar contracts for which IRIDIUM or the companies comprising the Consortium were unable to bid separately.

- Assumption of a major financial risk. The creation of the Consortium can be justified due to the financial risk assumed by IRIDIUM in the event it bid individually only when (i) the specifications require unprecedented financial solvency or a higher one than in other comparable contracts; (ii) guarantees for a significant amount are required; (iii) there is a strong likelihood of excess costs being generated that are not covered by the contract bid amount; or (iv) assuming the entire financial risk of the contract, including a request for external financing, compromises IRIDIUM's ability to demonstrate it has the financial solvency required for other tender processes.

- A lack of competitiveness were it to bid individually. Although it would be formally possible for IRIDIUM to take part in a tender process separately, were it to do so, it would be unable to make a minimally competitive bid in economic and technical terms, so the creation of a Consortium could also be justified, provided that it made it possible to remedy the deficiencies of an individual IRIDIUM bid and gave rise to a more competitive bid.

- Efficiencies generated by the creation of the Consortium. The creation of a Consortium, or its expansion to include a higher number of companies, can be justified on the basis of the efficiencies it generates, provided (i) there are no less restrictive alternatives that make it possible to achieve the same result; (ii) the existence of the Consortium does not completely eliminate competition, making it impossible for other competitive bids to be presented apart from the one by the proposed Consortium; and (iii) the efficiencies are justified and demonstrated in document form.

  In this regard, the efficiencies:

- Cannot consist of a saving or earning that is merely the result of eliminating the costs inherent in competition; there must be an effective integration of the economic interests of the constituent parts of the Consortium.
- Must be clearly reflected in the conditions of the bid and be transferred to the company as a whole. By way of example, cost savings can be identified as efficiencies, including those derived from economies of scale, provided they translate as a reduced cost for the Administration; the possibility of combining supplementary knowledge or performing the contract more rapidly; the possibility of offering improved products, or of using resources more efficiently. The sharing of risks — when the companies participate in several public tender procedures— can also be considered an efficiency in this regard.
- The justification should not be based on general and abstract arguments: the specific benefits that the Consortium can generate for the Administration and for consumers and users must be identified. It is also recommended that the explanatory report specify precisely what each member of the Consortium will contribute (resources, specialisation, prior experience).

Meanwhile, the following should be taken into account when drafting the explanatory report:

- As a general rule, a Consortium will be considered less restrictive of competition if created with financial partners, thus allowing other companies with technical solvency to present their own bids.

- The admission of the Consortium by the contracting body, or the fact that participation in Consortium form is expressly envisaged or promoted in the bidding specifications, is no guarantee of the compatibility of the Consortium with competition legislation.

  The above notwithstanding, and although it does not it itself constitute a factor that justifies using a Consortium, it is recommended that the explanatory report include those elements of the contract that have led the contracting entity to consider a joint bid necessary. Those clauses or conditions of the bidding specifications that promote participation in Consortium form or that prevent a separate bid being made should be stated expressly, for example, when the timeframe for execution of the project is difficult to assume without the collaboration of other companies (short duration of the contract); when there may be peaks or occasional substantial increases in work that a single company would be unable to assume; or when an association between companies is considered positive for the purposes of diluting the financial risk of the contract.

- The main grounds of the explanatory report should preferably be included in the agreement creating the Consortium, as part of its preamble or clauses. Alternatively, it may be included in a separate document, provided sufficient justification of its need is provided, in line with the above criteria.

The explanatory report and related documentation should be kept for at least four years after the termination of the Consortium in question.

Generally speaking, it is recommended that the corresponding compliance body be consulted, via the Whistleblowing Channel or by any other route established for that purpose, on an urgent basis if necessary, should there be doubts regarding the need for a Consortium or when drafting the corresponding explanatory report.

Random checks will be carried out, at least once a year, on the explanatory reports drafted by those responsible for the creation of the Consortium.

II. PRIOR AUTHORISATION OF THE COMPLIANCE BODY. RISK INDICATORS.

The need to draft an explanatory report notwithstanding, the formalisation of the agreement for the creation of a Consortium with competitors will be subject to the prior authorisation of the same by the competent compliance body, where at least one of the following risk indicators are present:

1) IRIDIUM or any of its business partners with which it intends to form a Consortium have in the last year, presented individual bids for projects with a budget of up to 80% of the budget of the tender process in question; with similar financial solvency requirements (e.g. the need to supply a bank guarantee or security for the same or a similar amount, up to 80% of the guarantee required in the current tender process); and/or with a very similar object and conditions of execution (size of the project timeframe for execution).
2) IRIDIUM has bid for the same type of project or projects with similar budgets and/or financial solvency requirements, as part of a Consortium with one or more financial partners and the current Consortium does not envisage the intervention of a financial partner.
3) The Consortium will be comprised of more than three companies.
4) Once the Consortium in question is created, it is unlikely that more than one alternative bid to IRIDIUM's will be presented.
5) IRIDIUM will have a stake of less than 25% in the Consortium.

The person responsible for the creation of the Consortium will contact legal advisory as soon as possible as of when the formation of the Consortium with competitors is proposed.

In these cases, the information to be provided to legal advisory will include the most detailed explanation possible of the reasons why creation of the Consortium is of interest.

When the scenarios listed in this section arise, legal advisory will pay particular attention to providing its comments to the explanatory report and will send the report and the rest of the documentation to the competent compliance body. That Committee, after checking for the existence of issues that could prevent the creation of the Consortium because it infringes competition principles, will issue a resolution approving the creation of the Consortium.

The competent compliance body can request any information and/or documentation deemed necessary for the proper evaluation of the Consortium, which will be provided as soon as possible. Specialist external advice may also be sought if considered necessary.

4.2 DURING THE EXECUTION OF THE PROJECT BY THE CONSORTIUM

After the Consortium of competitors has been created, competition law continues to be fully applicable. In fact, a Consortium of competitors is a particularly sensitive context from a competition law standpoint, as it gives rise to a scenario of continued, close contact between competitor companies.

This contact could eventually lead to the commission of breaches of competition regulations, particularly due to negligent participation in the exchange of sensitive commercial information as part of the collaboration on the project or contract in question.

Consequently, during the term of the Consortium special attention must be given to exchanges (including simply receipt) of sensitive information with the business partners at all times. In the context of a Consortium only that sensitive commercial information that is strictly necessary to execute the project or contract justifying the existence of the Consortium in question can be shared (e.g., capacity data, technology and industrial property rights), but commercial information on other past or future IRIDIUM projects should not be shared, be it technical details of bids or merely whether or not it intends on bidding in a particular tender process.

"*Sensitive commercial information*" means any information that IRIDIUM would not normally share with a third party and, in particular, information that would allow the recipient to ascertain or anticipate the conduct of IRIDIUM on the market, for example, information not included in the annual report of the ACS Group or in its annual accounts. As a general rule, recent data tends to be more sensitive than historic data and disaggregated or detailed data is more sensitive that that presented in aggregate form.

By way of example, the following may constitute strategically or commercially sensitive information:

- Current or future prices, including discounts, reductions, promotions and other terms of an economic bid in a tender process;
- Prices applied recently and, in any event, in the last year;
- Technical terms of a future bid in a tender process;
- Sales figures, cost data or margins.
- Market shares, data on capacity and production systems.
- Identity of suppliers.
- Information on manufacturing technologies, intellectual or industrial property rights or technical knowledge.
- Future commercial strategies, including the intention to take part in a tender process (or not) or to present bids in relation to a particular contract, if there is no plan to bid as a Consortium or if the Consortium is not to include that competitor.

- Information on the terms and conditions of a present or future bid in a tender process.
- Supply or provision conditions or financial indicators.
- Strategies, budgets, plans or business or marketing policies;
- Plans to expand or contract business, or plans to access new markets or withdraw from a market in which IRIDIUM or its competitors currently operate;

The exchange of commercially sensitive information between competitors is, in itself, a serious violation of competition regulations, without the need to show that the companies participating in the exchange actually used the information exchanged.

Were a competitor to propose an exchange of sensitive information or share information of that kind with IRIDIUM personnel, there must be a clear, express refusal to receive or exchange information and legal advisory must be informed of the incident as soon as possible.

If a situation of risk arises from a competition standpoint and, specifically, whenever sensitive information has been sent to or received from a competitor, legal advisory must be informed as soon as possible in accordance with IRIDIUM's "*Protocol on monitoring meetings and contact with competitors and with the Administration"*.

4.3 CONSORTIUMS AND COLLUSIVE CONDUCT

IRIDIUM is unequivocal in its rejection of any conduct contrary to free competition on the market and maintains, in particular, a zero-tolerance policy with regard to practices that imply the manipulation of public tender processes and other particularly serious violations of competition legislation.

Thus, the creation of Consortiums can also be contrary to competition legislation when it forms part of broader collusive conduct, that is, when the Consortium is created as a means to alter the normal operation of a procurement process or as a compensation mechanism in favour of one or more competitors.

Once a Consortium is created, special attention must be given to the following and legal advisory should be contacted as soon as possible should there be doubts regarding or reasonable indications that:

- The creation of the Consortium or any other form of collaboration, such as subcontracting, is part of a prior agreement with other companies to present joint bids for all or certain contracts before the procurement conditions for those tender processes have been published, for example, agreements to bid as a Consortium for all the tender processes of a certain Administration or in a certain region.

- The creation of the Consortium is due to the desire of the companies comprising it to be present in all or several of the lots into which a certain contract has been divided.

- The creation of the Consortium is due to the need to compensate a competitor for its

conduct in a previous tender process or due to the promise of future behaviour, for example, for having refrained from bidding, for having participated in conjunction with IRIDIUM or with other ACS Group companies, or for having subcontracted them.

5 BREACH

The breach of the provisions of this Protocol and the applicable legislation can have serious consequences for the Company, its workers, management and managing body. For this reason, compliance with this Protocol is considered mandatory and any non-compliance with it will be considered a breach, in which case the Company will adopt the appropriate disciplinary measures, in accordance with labour legislation and the Sanctioning Regime continued in the applicable Collective Agreement, notwithstanding other liabilities that the infringer may have incurred.