BUCHER

Competition Law Directive

Version 2022

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1 Introduction

1.1 Preliminary remarks

Free competition is an important principle of economic life. In a system of free competition, anyone who succeeds through innovation and performance enjoys an advantage over the competition and is greatly appreciated by customers.

Competition law (also called antitrust law) ensures that free competition is maintained and protects customers or competitors against manipulation and abuse of a market position by overly powerful business partners. The Bucher Group has proven its competitive abilities in free competition over many decades and is thus one of the significant beneficiaries of antitrust law.

Complying with national and international legal requirements is one of the fundamental compliance objectives of the Bucher Group. Therefore in Article 3 of its Code of Conduct the Bucher Group introduces the guiding principle of fair competition, which ensures in particular fair pricing and the protection of customers and consumers.

1.2 Purpose

The present Directive supplements the Code of Conduct. It covers the principles of European competition law and provides selected details on United States antitrust law; worldwide national competition laws are generally similar to the European competition law and/or US antitrust law. The Directive is intended to raise the awareness of the addressees for areas that may be sensitive from a competition law point of view when dealing with competitors, customers and suppliers. The Directive explains the basic provisions of competition laws and provides guidance on how to avoid anti-competitive behaviour.

Anti-competitive behaviour is subject to high fines, damage claims as well as financial penalties and imprisonment for individuals involved. The purpose of this Directive is to ensure compliance of the Bucher Group with competition laws and to protect both the Group's interest in preventing substantial fines and compensation claims resulting from illegal conduct and also the employee's interest in avoiding a personal financial penalty or imprisonment.

To obtain a deeper understanding for competition law in particular situations that may arise in daily business, Bucher also makes available more detailed training material with specific examples. You can request this training material under compliance@bucherindustries.com.

1.3 Scope of application

Competition is international – and so is competition law. This Directive is distributed to all managers of Bucher Industries and all of its affiliated Group companies (Bucher Group) who are responsible for implementing this Directive within their areas of responsibility and for ensuring compliance with competition laws. National competition laws outside the European Union, while generally similar to European competition law and/or US antitrust law, may be less restrictive than European competition law and this Directive in specific cases. In case a Bucher Group company intends to enter into an agreement deviating from this Directive in a country outside the European Union, compliance with applicable competition laws must first be confirmed by a legal opinion of a reputable law firm, and the Head of Group Legal must be informed (with copy of the legal opinion).

All managers and employees of the Bucher Group must refrain from practices contrary to competition law, regardless of the area in which they are active. They must not enter into any illegal arrangements with competitors and must not abuse the market position of the Bucher Group in dealings with customers and suppliers. They must behave honestly and correctly and seek legal advice in areas of concern.

2 Competition law

2.1 Main elements of competition law

Competition law consists of three main elements:

- Prohibition of agreements or concerted practices that restrict free trading and which have as their object or effect the prevention, restriction or distortion of competition (Section 3).
- Banning the abuse of a dominant market position (Section 4).
- Supervision and approval of mergers and acquisitions, joint ventures and co-operations of large undertakings (see Glossary for an explanation of “undertaking”).

This Directive gives an overview on the first two main elements of competition law. In case of mergers and acquisitions, joint ventures and co-operations, legal advice must be sought. Competition law does not apply for any business activity between Bucher Group companies.

2.2 Competition law terms

Appendix A to this Directive (Glossary) explains selected competition law specific terms.

3 Prohibited Conduct

Under EU competition law all agreements or concerted practices which have as their object or effect the prevention, restriction or distortion of competition are prohibited. In the United States, the Sherman Act, the Clayton Act (and the Robinson-Patman Act), and the Federal Trade Commission Act prohibit contracts, combinations or conspiracies that unreasonably restrain trade.

3.1 Agreements with competitors

It is prohibited to (list not exhaustive)	**It is allowed to**
– Jointly determine selling or purchase prices (including price increases, minimum or maximum prices or price ranges) – Jointly determine bonuses and discount (and other terms and conditions of supply) – Allocate sales territories – Allocate customers and customer groups, sources of supply – Jointly determine production, buying and selling quotas, quantity restrictions – Jointly determine technical developments – Jointly agree to boycott certain customers or suppliers, i.e. not to supply or purchase from them	React to the market behaviour of competitors, provided it is not coordinated and there is not a general agreement that competitors will always follow the behaviour of one undertaking

In the US it is almost always illegal for competitors to enter into agreements not to compete relating to pricing and other terms that affect prices to consumers, such as promotions, discounts, and warranties, among others. It is also illegal in the US for competitors to divide sales territories, assign customers, and agree to refuse to do business with targeted companies, especially if the competitors working together have market power.

The prohibition on cartels exists independently of the form and implementation of the arrangement. Oral agreements or alleged "gentlemen's agreements" can also be easily proven by the antitrust authorities through witness statements. It is often sufficient to uncover a cartel if one participant of a cartel meeting communicates the details of the other participants to the antitrust authorities in order to obtain immunity from punishment. Therefore, if you are contacted in any form by even just one competitor with a request to coordinate the above-mentioned parameters, you should avoid any discussion and seek legal advice immediately. Incorrect behaviour in such a situation can result in substantial damage to the Bucher Group and the employees involved.

3.2 Bid Rigging/Tenders

Agreements with competitors concerning tenders are particularly dangerous as these often lead not only to financial penalties but also to prison sentences.

It is prohibited to (list not exhaustive)	It is allowed to
– Fix the outcome of a bid or tender process with a competitor – Discuss tender offer terms (prices, sales conditions etc.) with competitors/other bidders – Allocate tender participations between competitors – Agree with a competitor that one party only participates in a tender with a mock offer with the goal that the tender is awarded to the other party	– Submit an offer to a tendering that includes correct and transparent information and figures – Decide autonomously on whether to participate in a public tender

In the US, coordination among bidders can be illegal. Legal advice must be sought if there are concerns with bidding behaviour.

3.3 Information exchanges, meetings and trade associations

Joining a trade association or attending trade fairs or industry meetings where competitors meet is generally allowed. However, any direct exchange of commercially sensitive information that is not available to the public between actual or potential competitors is likely to infringe competition law – regardless of whether this is done secretly, openly (for example in issued press releases), in what appears to be a legally correct form (for example under a cooperation agreement) or even by way of compliance measures (for example in the context of an audit). Even just obtaining knowledge of such information without an explicit rejection of it may result in a fine from the antitrust authorities. In case you are given such information, you must explicitly reject it and immediately seek legal advice.

It is prohibited to share information about (list not exhaustive)	It is possible to
– Prices, discounts, bonuses, conditions of supply – Sales and purchase quantities, production capacity, turnover figures, cost structures, profit margins, calculation practices, distribution practices – Territories, customers – New products, marketing plans and investment plans – Risk knowledge	– Agree joint petitioning, and government relation matters within trade associations – Provide a third party with information for purposes of market research, if the data will be kept confidential and forwarded only in anonymized and aggregated form so that no conclusions on the data of individual undertakings are possible

In the US, most trade association activities are procompetitive or competitively neutral. However, dealings among competitors that would violate the law would still violate the law if they are done through a trade association. Any data exchanged or statistical reporting that includes current prices, or information that identifies data from individual competitors, raises concerns under US law. Similar to the EU, aggregated data should be disseminated to members through an independent third party.

If sensitive competition information is exchanged at a trade association trade fair or industry meeting, managers and employees should immediately stand up, protest, leave the meeting and seek legal advice.

The prohibition on exchange of sensitive competition information also applies if the information is not provided directly to a competitor, but instead to a third party (e.g. a customer or an association) which collects the data and forwards it on to competitors without anonymising or aggregating it.

3.4 Resale price maintenance (price fixing)

The resale prices of distributors, dealers and customers must not be determined, directed or influenced in any way by the Bucher Group.

It is prohibited to (list not exhaustive)	It may be possible to
– Set binding resale prices to distributors or buyers (customers) – Require the distributor or buyer to adhere to recommended resale prices – Exercise pressure or create commercial incentives for distributors or buyers for sticking to a particular price level, discount, conditions, profit ranges and extra benefits – Terminate a distributor agreement because of the distributor's refusal to adhere to the recommended resale prices – Prescribe minimum resale prices	– Set maximum prices ("The resale price of product X shall not exceed CHF …"), provided that they do not result in a fixed or minimum sale price – Give non-binding price recommendations as guidance for distributors

The setting of resale prices is not treated as strictly in the United States as it is in Europe. For example, in the US, maximum and minimum resale price maintenance ("RPM") agreements are unlawful only if the potential harm on competition in the market outweighs the procompetitive benefits of the agreement. In many instances, a manufacturer may terminate, or threaten to terminate, a retailer who prices goods above or below a specific RPM agreement. Unlawfulness is often based on market power of either the manufacturer or the retailer. Most states have unique laws governing RPM agreements, so while such agreements may be lawful under federal law, they may violate a specific state statute. Legal advice must be sought prior to entering into such agreements.

There is never a justification for price fixing ("to avoid a price war", "to prevent price dumping", "to ensure adequate margins")! Even if it is set out in the contract that the distributor is free to determine its resale prices, the distributor may not be pressured in any way outside the contract or threatened with termination if it does not stick to a particular price level. Even a one-sided attempt to influence the price level of a distributor can result in significant fines.

3.5 Exclusivity - Restrictions on territories and customer groups

A restriction on a contract partner (e.g. distributor or buyer) regarding the resale of products of the Bucher Group to particular customer groups or in particular territories is generally prohibited under competition law. Exceptions are possible in case of a market share below 30% (see Glossary for a definition of market share).

It is prohibited to (list not exhaustive)	If the market share of a Bucher product and the market share of the buyer (on the purchasing market) are each below 30%, it may be possible to
– Forbid a distributor to passively supply customers outside the territory (i.e. forbid to accept a customer's order from outside the territory) – Refuse orders from distributors exporting the products with the argument of territory restrictions – Generally forbid internet promotion by a distributor	– Grant an exclusive distribution, purchase, franchise or license right in a certain territory or to a certain customer group – Prohibit the distributor from any active marketing or active selling in territories, which Bucher reserved for exclusive direct sale or exclusively allocated to third parties (restriction of passive marketing/selling is not allowed) – Prohibit the distributor from any active marketing or active selling to customers groups which Bucher reserved for exclusive direct sale or exclusively allocated to third parties (restriction of passive marketing/selling is not allowed) – Prohibit the distributor from actively reselling Bucher parts to customers that use the parts to produce products that compete with Bucher products – Restrict wholesalers to actively resell to end users – In selective distribution systems based on qualitative criteria, prohibit cross-deliveries to distributors not admitted to the selective distribution system However, the distributor may not be prohibited from advertising on the internet.

The law in the United States and other countries may differ from that of the EU. In the US, exclusivity arrangements between distributors and manufacturers relating to distribution territories and customer groups are unlawful only if a party to the arrangement possesses significant market power and has foreclosed, or has the ability to foreclose, existing competitors or new entrants from competition in the relevant market during the term of the arrangement. Legal advice must be sought prior to the establishment of any exclusive relationships.

3.6 Non-compete and customer protection clause

In vertical agreements (agreements between non-competitors, e.g. distribution agreement, supply agreement) a limited obligation of the purchaser (e.g. a distributor) not to compete with the seller is allowed under certain conditions (see also Glossary for a definition of non-compete):

It is prohibited to (list not exhaustive)	**If the market share of a Bucher product and the market share of the buyer (on the purchasing market) are each below 30%, it may be possible to**
– Impose non-compete clauses to distributors if the market share of Bucher or the distributor for the relevant product is above 30% – If the market share of Bucher or the distributor for the relevant product is below 30%, impose non-compete clauses to distributors for a duration of more than five years – Forbid the manufacture and sale of competing products beyond the duration of the agreement	– Forbid the manufacture and sale of competing products during the first five year of a distribution agreement

The law in the United States and other countries may differ from that of the EU. In the US, non-compete agreements are unlawful only if the potential harm on competition in the market outweighs the procompetitive benefits of the agreement. The analysis typically involves a review of the reasonableness of the non-compete agreement's duration and geographic coverage, and whether the restraint is reasonably related to a legitimate purpose. Almost every state has its own unique laws governing the use of non-compete agreements, some of which are stricter than others. Legal advice must be sought prior to the establishment of any non-compete obligations.

3.7 Supply Agreements

The obligation of a supplier to exclusively supply one customer is only possible under certain conditions:

It is prohibited to (list not exhaustive)	**It is possible to**
– Agree an exclusive supply if the buyer is dominant (see Glossary for an explanation of "dominant position") – Agree the exclusive supply if the supplier is capable of producing the product without the know-how and the facilities of the buyer, and if market share of buyer and/or supplier is above 30%	– Agree an exclusive supply if market share of the buyer and of the supplier is below 30% – Oblige the supplier not to use the know-how and/or technical means (provided by the buyer) for other purposes than for the supply to the buyer, if the protection of the buyer's know-how is the sole purpose of the restriction

The law in the United States and other countries may differ from that of the EU. In the US, exclusivity arrangements relating to the supply of goods are common and generally lawful. Such arrangements are unlawful only if a party to the arrangement possesses significant market power and has foreclosed, or has the ability to foreclose, existing competitors or new entrants from competition in the relevant market during the term of the arrangement. Legal advice must be sought prior to the establishment of any exclusive supply agreement.

3.8 Licensing of intellectual property rights (technology transfer agreements)

Technology transfer agreements concern the licensing of technology whether protected or not. Such agreements usually improve economic efficiency. However, licensing agreements may also be used for anti-competitive purposes, if e.g. they result in allocation of markets between competitors or they exclude competing technologies from the market.

In order to ensure compliance with applicable competition laws legal advice is recommended.

In license agreements it is prohibited to (list not exhaustive)	**If the combined market share of the parties does not exceed 20% (if parties are competitors) or if the market share of each of the parties does not exceed 30% (if parties are not competitors), in license agreements it is possible to**
– Forbid the licensee to contest the validity of the licensed patent – Oblige the licensee to grant an exclusive license to the licensor or a third party for any severable improvement and new application deduced by the licensee	– Oblige the licensee to grant a non-exclusive license to the licensor for any improvement and new application of the technology subject matter of the license agreement – Forbid the licensee to contest the secrecy of the licensed know-how – In case of an exclusive license, provide for a right of termination of the technology transfer agreement in the event that the licensee challenges the validity of one or more of the licensed intellectual property rights

In the US, most agreements relating to the licensing of intellectual property rights are unlawful only if the potential harm on competition in the market outweighs the procompetitive benefits of the agreement.

3.9 Research and Development Agreements

R&D agreements may be anti-competitive for instance if the parties agree not to carry out other research and development in the same field. Under competition law, R&D agreements are subject to certain restrictions and boundaries.

In order to ensure compliance with applicable competition laws legal advice is recommended.

4 Rules applicable only in case of significant market share (abuse of dominant position)

A dominant position itself is not unlawful. The Glossary (Appendix A) contains an explanation of ”market” and “abuse of dominant position”. The EU competition law prohibits the abuse of a dominant position. Companies in a dominant position must pay attention to some additional principles of EU competition law as listed below. Under US antitrust law, monopolisation is also prohibited; however, the restrictions on the conduct of dominant companies are less clear. Legal advice must be sought where a dominant position or a restriction of competition is assumed.

The following Sections 4.1 and 4.2 apply only if the Group company has a dominant position in the relevant market.

4.1 Prohibition on abuse through discrimination

With regard to products with a particularly high market share it is prohibited to (list not exhaustive)	**With regard to products with a particularly high market share, it may be possible to**
– Grant different sales conditions to customers without an objectively justified reason	– Grant different sales conditions justified by improved efficiency through higher purchase volumes, simplifications in distribution and logistics or production savings

4.2 Prohibition on abuse through obstruction

4.2.1 Dumping prices, predatory pricing

With regard to products with a particularly high market share it is prohibited to (list not exhaustive)
– Set prices below cost – Push out competitors by setting prices so low that losses or profit reductions are intentionally accepted

Under-pricing or predatory pricing amounts to an (exclusionary) abuse if it is part of a plan to eliminate a competitor or overall competition on a particular market. Indicators such as price below cost, scope, duration and selectivity of the under-pricing in question or importance of the enticed customer may be taken as evidence for the intent to eliminate competition.

Also, if products are provided to distributors at higher costs than the Group company charges when selling directly to end customers, there is a danger of a price abuse. Seek legal advice before agreeing this type of pricing structure.

4.2.2 Discounts/rebates

A prohibited form of obstruction of competitors may lie in offering customers certain preferred buying conditions including high discounts enticing them to purchase, out of economic necessity, their products from the dominant undertaking and not from the competitors. **In general, offering customers discounts and**

rebates' schemes is not illegal per se. Even a dominant undertaking is not obliged to treat all customers equally. Variations are generally possible and permitted in accordance with competition rules. **Certain limitations have to be complied with only if the dominant undertaking pursues the goal of establishing loyalty ties for all or a significant percentage of its customers.** As a general rule, it may be concluded that the more the rebate/discount induces loyalty, and the more there is no economic justification for it, the more likely it is that the rebate/discount will infringe competition law. Since the evaluation of such conduct is complex, legal advice should be sought in case of doubt.

With regard to products with a particularly high market share the following rebates/discounts are prohibited (list not exhaustive)	**With regard to products with a particularly high market value, it may be possible to**
– Rebates conditional on exclusivity or de facto exclusive purchasing – Rebates conditional to individual sales targets that prevent customers from buying from competitors and are not justified by a countervailing economical advantage	– Grant standardized discounts on all products – Agree on stepped discounts – Agree on discounts as compensation for an increase in efficiency, provided that it does not prevent customers to buy from competitors – Agree on rebates as compensation for a service provided by the purchaser (e.g. market launch for the product)

4.2.3 Price increase

Just as predatory pricing strategies may be unlawful, abuse by way of a price increase is also prohibited. A price increase abuse occurs in particular if overly high prices are charged in comparison to other competitors and such charges are only possible due to a dominant market position.

4.2.4 Exclusive or long-term arrangements

A dominant undertaking abuses its position if it substantially restricts the access of competitors to customers, regardless of whether the restriction is achieved by exclusive arrangements or only in fact through economic incentives.

For dominant companies, it is prohibited to (list not exhaustive)
– Enter into exclusive purchase obligations with customers

4.2.5 Tying and bundling

A contractual agreement that a product will only be delivered if another unrelated product is also purchased is unlawful.

For dominant companies, it is prohibited to (list not exhaustive)	**It may be possible to**
– Tie the sale of a machine to the simultaneous purchase of raw materials that are processed by that machine – Make the supply of a product conditional upon the obligation to buy another product or to enter into a service agreement	– Tie based on objective criteria, such as safety requirements (Bucher Group must prove that such objective reason exists) – Bundle two products that are part of a system

4.2.6 Refusal of business relations

Termination or refusal of business relations with a purchaser may in certain cases be unlawful under competition law. This applies in particular if the termination or refusal takes place with the aim of achieving better conditions for the dominant undertaking or excluding a competitor from the marketplace. Also the refusal to grant licenses may constitute an unlawful restriction of competition if another undertaking is dependent on obtaining a license for the further development of its own product.

5 Behaviour in critical situations

5.1 Procedure in case of risk of violation of competition law

You are expected to immediately report to and consult with the managing director of the business unit or the division president, the CEO or the divisional or Group compliance officer,

- if you believe in good faith that competition law has been violated;
- if in the course of daily business dealings it is not immediately obvious that a particular course of conduct is permitted;
- in cases of doubt, "grey areas" or uncertainty about a past or future action;
- If third parties offer a course of conduct that may be contrary to competition law*

* The one-sided offer of a course of conduct contrary to competition law can of itself result in a significant fine. Even staying silent about an offer of a course of conduct that restricts competition can result in a violation of competition law or can be implied as such. In order to avoid this, legal advice must be sought immediately to define the appropriate course of action.

Employees will not suffer any detrimental treatment by reporting a violation of competition law. Line managers or colleagues may not discriminate or take retaliatory measures against employees who have discharged their obligation to report any such instances in good faith.

Legal advice must be sought in any case of uncertainty or potential violation of competition law. If you realise that a violation of competition law has occurred, you should not consult the antitrust authorities ahead of time, but seek legal advice first. The antitrust authorities provide the possibility of a "leniency scheme". This scheme grants immunity from punishment or a reduction of the penalty in case of a self-declaration and a simultaneous admission of all facts.

In order to avoid damage to undertakings and their employees, competition law violations should be stopped as soon as possible. However, do not inform the other undertakings involved of the competition law violation ahead of time, as this may cause a substantial disadvantage for the Bucher Group. Always seek legal advice first.

5.2 Behaviour in case of a search by antitrust authorities

If antitrust authorities have indications of an agreement restricting competition, they may search the premises of an undertaking that is participating in the cartel (“dawn raid”). The investigating officials may review and copy business documents in electronic or written form on the business premises In case of a search, managers and employees of the Bucher Group should cooperate with the authorities. The authorities should be requested to produce their search warrant or other official or court order, and copies should be made. The managing director of the business unit or the division president as well as the divisional and the Group compliance officer must immediately be notified of the search. The investigating officials should be accompanied during the search.

6 Sanctions

6.1 Legal sanctions

Violations of antitrust law may be sanctioned by the antitrust authorities with monetary fines amounting to millions or billions imposed on the undertakings involved in the cartel. Additionally, employees involved may be fined millions personally or in individual cases sentenced to imprisonment. Managers and every employee should be aware that not only the Bucher Group but also they personally are in the focus of the antitrust authorities and can be held responsible for their personal misconduct.

6.2 Sanctions imposed by the Bucher Group

Appropriate action, up to and including dismissal, will be taken against any manager and employee of a Bucher Group company who violates competition law or breaches this Directive.

If Bucher Group company suffers loss or damage as a result of a violation of competition law or breaches of this Directive, an action for damages may be brought against the company or individuals involved.

7 Liability

7.1 Liability of the company

The Bucher Group is liable worldwide for competition law violations by its managers and employees. In addition to sanctions imposed by the antitrust authorities, participants in competition law violations also regularly face damages claims. In the USA, the amount of compensation payable is normally three times the damage caused. In Europe, the damage actually caused may be claimed, and every distribution level has a separate claim for compensation.

7.2 Liability of employees

Anyone who commits a violation of competition law is personally liable towards the affected parties, and in cases of wilful misconduct can also be held liable for resultant sanctions. Undertakings may have a statutory or regulatory duty to "clean up" that requires them to summarily dismiss the employees participating in a violation of antitrust law. Not knowing that a behaviour constitutes a violation of competition law is no excuse.

8 Implementation of this Directive

8.1 Procedures and implementation

Managers are responsible for implementing this Directive within their areas of responsibility. This Directive will be translated into the relevant local languages to ensure that the information is readily understood. Training courses will be held to support managers to understand and comply with this Directive. Training courses may be provided for other employees as requested.

8.2 Monitoring

Employee conduct and business practices with regard to competition law will be monitored within the Bucher Group. For this purpose, the Bucher Group will perform monitoring and review.

Addressees of this Directive will be required to certify compliance with this Directive within their areas of responsibility on an annual basis and confirm that they will ensure such compliance in future.

9 Support

9.1 List of divisional and Group compliance officers

An up-to-date list of compliance officers can be obtained from compliance@bucherindustries.com.

9.2 Support in case of uncertainties and questions

Addressees of this Directive must seek legal advice in areas of concern. If there are questions on the admissibility and lawfulness of a particular course of conduct, addressees can also consult their superior, the managing director of the Group company, the Group Management member responsible or a divisional or Group compliance officer.

10 Validity

This Directive enters into force on June 9, 2015 and is issued in various languages.

11 Appendix

Appendix A: Glossary

Bucher Industries AG

Philip Mosimann
Chairman of the Board

Jacques Sanche
CEO

Appendix A

Glossary

EC competition law	The principal provisions of EC Competition Law are set forth in Articles 101 and 102 (formerly Articles 81 and 82) EC. More detailed legal provisions are laid down in various Commission regulations and directives. EC Competition Law applies to all companies doing business within the Member States or which may affect trade between the Member States of the European Economic Area (EEA) regardless of whether these companies are established in one of these countries or not.
US Antitrust law	US Antitrust Law is set forth in three principal federal statutes: the Sherman Act, the Clayton Act (and the Robinson-Patman Act), and the Federal Trade Commission Act. US Antitrust Law applies to all companies and individuals doing business in the United States or affecting US commerce.
National competition laws	There are national competition laws to be considered when doing business in a given country. These national competition laws are generally similar to the EC Competition Law and/or US Antitrust Law.
Cartel	A cartel ("charter") is any oral or written agreement or information between companies that may have the purpose or effect of restricting competition. For "purpose", it is enough that a restriction of a competitor's freedom to trade was intended (even if it does not actually occur). For "effect", it is sufficient that a competitor's freedom to trade is restricted (even if that was not intended).
Restriction of competition	A restriction of competition is the aim or the consequence of cartels. This occurs whenever an independent competitor, supplier or customer is no longer able to freely decide on its market behaviour due to conduct that restricts competition. This market behaviour concerns matters such as the setting of prices, agreements on terms and conditions, developing of new markets, territories and customer groups or the decision to develop new products. Antitrust law not only prohibits direct restrictions of competition (for example through price coordination with competitors), but also indirect restrictions on competition. For example, competition at the distribution level may not be restricted by setting fixed pricing rules for the independent distributors of products of the Bucher Group.
Undertaking	Antitrust law only applies in relations between independent undertakings. In antitrust law, an "undertaking" is any entity that exercises an economic activity – independently of its legal form and the nature of its financing. An enterprise, company, political district, a sole trader or a professional sportsman are therefore all undertakings. Undertakings are only "independent" if they are not legally, economically or in practice controlled by another undertaking. Accordingly, in the internal relations between the group companies of the Bucher Group, antitrust law does not apply when the individual subsidiaries do not have independent decision-making powers. Nor does antitrust law apply – at least not in the European Economic Area – between manufacturers and agents, provided the agent does not bear any independent sales risk. Both the managers and the employees of undertakings such as the Bucher Group are addressees of antitrust law.

Market	In order to assess whether undertakings are competitors or whether an undertaking has a particularly high market share, the definition of the relevant market is particularly important. Whether an independent product market exists depends on whether purchasers (dealers and consumers) request only one particular product (in which case there is an independent product market) or whether they consider this product to be substitutable with other products (in which case there is a common product market). Whether there is a national, European or worldwide market for this product depends on the type of product and the demand for it. If one and the same product is demanded in more or less the same way worldwide, there is a worldwide market. On the other hand, if there is a country-specific demand for certain products, it is to be assumed that there are individual national markets.
Competitor	Competitors are all undertakings and their managers and employees that are active in the particular market.
Non-compete clause	A non-compete clause is a term under which one party (e.g. a distributor) agrees not to do certain actions, such as manufacturing, distributing or selling goods of third parties which compete with the products of the party imposing the non-compete clause, or to take part in any such action (e.g. as employee of a competitor).
Abuse of dominant position	If an undertaking has significant market power in a particular product market, it must not abuse it. A dominant (market) position is defined as a position of economic strength enjoyed by a company which enables it to behave to an appreciable extent independently of its competitors, customers and consumers. Market shares exceeding 40% regularly constitute a dominant position provided that other additional factors are present. The lower the market share, the more important such factors are. Such additional factors include, in particular, the relative market share (i.e. the distance to competitors). The larger the distance to the market leader or the greater the fragmentation of the market among the remaining competitors, the more the market leader can be regarded as holding a dominant position. Other additional factors are a possible threat of future expansion by actual competitors or entry by potential competitors, technological edge, intellectual property rights, a well-developed distribution network, large resources (capacities, access to input markets, financial power, capital market access) or a high level of diversification. Below 40% market share, a dominant position is not impossible, yet unlikely. With market shares below 25%, dominance can usually be ruled out. Undertakings with market power are subject to stricter antitrust rules. It would be an abuse for example if these undertakings were to deliver products to their customers on differing terms without any objectively justified reason for doing so (so-called "discrimination") or if they would attempt to force their competitors out of the market through price wars, excessive discounts, long-term exclusivity agreements with customers, delivery stops or refusals to license standard-essential patents (so-called "obstruction"). The Bucher Group, as a successful undertaking, cannot exclude that it has particular market power in certain individual product areas. Managers and employees should therefore always keep in mind when taking business decisions that they may be addressees of the stricter antitrust rules on abuse of a dominant position.