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COMPETITION & ANTITRUST POLICY

September 2021

Legal Department

Executive summary

The purpose of this Etex Group Policy on competition and antitrust is to ensure that all employees, temporary staff, members of the boards of directors (or equivalent) and managers of Etex NV and its Affiliates (Etex) are aware of their obligations in relation to the relevant competition laws.

This Policy explains our individual responsibility in complying with competition laws around the world. Etex does not tolerate any violation of competition laws in any jurisdiction in which it operates.

Failure to comply with relevant laws not only constitutes a breach of ethical and legal requirements, but could carry reputational damage, legal action and financial losses. In some countries, serious infringement to competition law can also lead to sanctions on individuals (fines and/or imprisonment).

A breach of this Policy by Etex Leaders and Employees will be subject to disciplinary action, including termination for cause.

Definitions

Term	Definition
Affiliate	A company, part of the Etex Group, ultimately controlled by Etex NV.
Antitrust & Compliance Officer	The central legal counsel at the Etex Group Legal Department assigned to support Etex in antitrust matters, as well as other compliance matters, including sanctions, anti-bribery and corruption, data protection, conflicts of interest, market abuse regulation and code of conduct.
Etex or the Group	Etex NV and its Affiliates.
Etex Leaders and Employees	All employees, temporary staff, members of the boards of directors (or equivalent) and managers of Etex.
Legal counsel	The local in-house legal counsel or local contact person for legal matters.
Policy	The present Etex Group Policy on competition and antitrust.

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1 Background and general guidance

Over one hundred jurisdictions around the globe now have competition laws (sometimes also referred to as antitrust laws). Most regimes are national in scope and may differ in certain respects, however, these laws are overall based on the same underlying principles. In short, competition laws prohibit any form of arrangements and conducts that may prevent, restrict or distort competition and conducts that constitute an abuse of a dominant position.

This Policy is not intended to make you an expert in all aspects of competition laws but is designed to assist you in identifying and clarifying the areas in which competition laws may apply. While certain types of conducts (*i.e.,* anti-competitive agreements also commonly known as cartels) are universally condemned and always illegal, competition laws are full of grey areas requiring a case-by-case analysis.

Please immediately contact the Antitrust & Compliance Officer and your Legal counsel:

- If you become aware of a possible breach of competition law, including by third parties (in which case you should always preserve any evidence pertaining to such conducts);
- If your company is subject to a competition law investigation, whether via a request for information or an onsite investigation by a competition authority (known as dawn raids);
- Prior to discussing any of Etex's business with a competition authority or if you receive a letter/complaint from a customer, or another third party, referring to a possible competition law violation;
- If you are uncertain about the compatibility of certain conduct with competition laws.

2 Purpose

The purpose of this Policy is to reiterate and supplement Etex's commitment to prohibit anti-competitive behaviours, as set forth in our Code of Conduct, and to provide guidance as to how to deal with competition law related issues.

Etex **prohibits all forms of anti-competitive agreements** and this Policy provides guidance to tackle issues that may be illegal and require caution.

Etex seeks to compete in a fair and open market. Following these principles helps Etex be more efficient and innovative, aligned with our strategic pillars of Operational performance and Profitable growth.

3 Scope

This Policy sets forth general principles to which **all Etex Leaders and Employees must adhere to** so that Etex can maintain its high ethical standards, that we believe Etex should comply with in all countries and/or jurisdictions in which it operates and protect its reputation against any allegations of anti-competitive behaviour. It applies to all entities that are part of Etex including to joint ventures that are directly or indirectly controlled (even jointly with another company) by Etex.

A competition law violation can result from:

- **direct or indirect contacts with competitors** (*e.g.,* a cartel),
  - a price-fixing or market-sharing arrangement between competitors,
  - the exchange of commercially sensitive information, including through a trade association or a consultant;
- **certain instructions given to distributors or customers** (*e.g.,* resale price maintenance);
- the **abuse of a dominant position** (*e.g.,* unilateral practices by a company in a dominant position).

To avoid anti-competitive behaviour or any appearance of it, Etex Leaders and Employees must respect the competition laws of the countries where they operate. A breach of this Policy by Etex Leaders and Employees will be subject to disciplinary action in accordance with applicable procedures in each country, including termination for cause.

4 What are the risks?

Non-compliance with competition laws **exposes Etex to high fines** (*e.g.,* up to 10% of the group-wide turnover pursuant to EU competition law), costly litigation, damages claims and reputational damages. Additionally, a violation can **attract potentially severe fines for individuals**, and in some jurisdictions long-term **imprisonment** as well as director disqualification.

5 Dealing with competitors: general overview / do's and don'ts

Competition laws require that companies undertake their business decisions independently of their competitors. As a result, contacts between competitors should be kept to a strict minimum and when they occur should be undertaken with due care. This section sets out a general overview of competition law issues that must be borne in mind when dealing with competitors. It is intended to cover the main issues that can be encountered when one business deals with its competitors, laying down the boundaries between what is likely to infringe the competition rules and what is not.

5.1 General principles

Competition laws prohibit agreements between competitors which distort, or may distort, competition. Most contacts between competitors, when brought to the attention of competition authorities, will be viewed with suspicion and should therefore be avoided, except in very specific circumstances.

While as a general proposition, dealings or contacts between competitors can pose a significant risk to competition, this does not mean that all dealings or contacts with competitors are prohibited.

5.1.1 Agreements and concerted practices

The prohibition covers **all types of agreements capable of restricting competition** (*e.g.,* on prices, customers, sales territories, bids, capacity or actions related to suppliers such as boycotts). Such agreements need not be formal and can either be written or oral. Informal agreements can include a "gentlemen's agreement" and even "a nod and wink".

The prohibition may also cover coordination between competitors where no agreement is reached but where a direct or indirect contact between competitors is intended to or has the effect of influencing the conduct on the market, or to disclose future behaviour to competitors. These are sometimes referred to as **concerted practices**.

Parallel conducts (*e.g.*, competitors quickly adjusting their prices to match price movements) are not in themselves illegal. However, **serious concerns** can arise if parallelism can be **linked to exchange** of commercially sensitive information between competitors.

5.1.2 Information exchange

Information exchange can take various forms: **direct sharing** of data between competitors or through a common agency (such as a trade association) or **via a third party** (such as a market research organisation, and through suppliers or distributors).

Exchanges of information with a competitor should be treated with great care. Companies should ensure that any exchange is for a **legitimate purpose** and that the **content of the exchange** is no more than is **strictly necessary for that purpose**. If the information may be competitively sensitive, consider

either refraining from the exchange or introducing safeguards (*e.g.,* making the information available only to a small group of named individuals and subject to a confidentiality agreement). You should always contact your Legal Counsel or the Antitrust & Compliance Officer to define and set up the proper framework prior to exchanging such information.

The exchange of information between competitors is more likely to constitute or be an element of the prohibited behaviour (agreement, concerted practice) where the information is:

Commercially sensitive

Commercially sensitive information can be defined as strategically useful data. They can be related to **prices** (actual prices, increases/decreases, discounts or rebates), **production costs**, **quantities**, turnover, sales, capacities, qualities, marketing plans, risks, investments, technologies, R&D programmes as well as the identity of customers or suppliers, or the amount or terms of business done with any of them.

Confidential

The exchange of **confidential** information will be scrutinized by a competition authority, while **genuinely public** information can be exchanged:

- It is not because "data are in the public domain" that they are necessarily "genuinely public" and can be exchanged between competitors.
- Similarly, not all information gathered in the market (such as benchmarking) is readily accessible to competitors.
- Finally, caution should be taken with data that are to some extent publicly available but that have been formatted into a ready and useable format, or the data may be accompanied by comments, analysis, observations or recommendations.

Recent or future

The exchange of historic data is unlikely to raise any problems. Generally, information is of a particularly sensitive nature when it can be considered **current** (*i.e.,* not more than one year old) or **future**.

Other factors

Importantly, the exchange of **individualised data** (*i.e.,* company level data allowing for easy identification of each competitor) is more suspicious than the exchange of **aggregated data**. The frequency of the exchanges also plays a role.

5.2 Main types of prohibited conducts between competitors

5.2.1 Price coordination

Any understanding between competitors regarding their sales prices is illegal. Illegal price coordination not only includes the setting of specific prices, or certain elements of the overall price (such as surcharges) but also any agreement on pricing policy. This covers agreements to use a common pricing formula or a common method of price calculation, agreements on rebates, agreements on the timing of public announcements of price changes and agreements on minimum prices in response to a request for quotation. The mere consultation on these topics between competitors can be sufficient to constitute a violation of competition law. A statement made to the market, and likely to be heard by competition, regarding intended or proposed pricing, output, customer terms, or other dimensions of competition can be considered as an invitation to collude and used as evidence of a violation of competition law (price signalling).

While **market intelligence and benchmarking** are to a significant extent essential to do business, these exercises must be carried out in line with competition law principles because the exchange of commercially sensitive information with competitors is a **hot spot of antitrust enforcement**. Competition laws do not prevent an undertaking from seeking information about its competitors' activities, but customers or intermediaries should not be used as a conduit for exchanging information between competitors.

Market reports can be used subject to certain conditions. The information needs to be aggregated so that it cannot be traced back to relevant competitors. Ensure that the report is prepared by a reputable and neutral third party and that there are clear rules in place to ensure that the third party is not facilitating collusion.

5.2.2 Partitioning of markets (product, geographies, customers)

As it is the case for agreements on prices, agreements to divide markets (products and/or geographies) or share customers constitute a hard-core violation of competition laws. Competitors may not divide territories and/or allocate customers among themselves.

5.2.3 Production or sales coordination

The coordination of production or sales can also be viewed as illegal, when it is designed to limit output overall or in certain regions. Such coordination can be viewed as a way to artificially influence the level of prices and/or market shares of competitors.

5.3 How to react faced with suspect arrangements

5.3.1 Attempts by competitors to engage in illegal behaviour

If you are approached by one or more competitors whose aim is to conspire regarding any of the behaviour described above, you should decline the offer. Moreover, in case there is any doubt about your involvement with any illegal activity in the future, you should contact the Antitrust & Compliance Officer.

5.3.2 Trade associations and industry conferences

Participating in trade associations and industry conferences should be approached with caution. The limitations described above regarding information exchanges between competitors also apply in the context of trade associations meetings. Such events often provide opportunities for informal discussions that may easily result, without proper care, in the disclosure of confidential information, which could facilitate coordination.

Participation at such meetings should therefore be limited to discussing industry affairs in general terms rather than sharing sensitive information about the situation of individual members/participants.

Please consult Etex's Policy on trade associations outlining in more details the principles to follow prior to or when attending trade associations meetings.

5.4 Do's and don'ts

Below is a suggested list of do's and don'ts that you can use as general guidance. Every business is of course different and whenever you have doubts about the compatibility of specific business behaviour with competition law you should consult the Antitrust & Compliance Officer. For an infringement to exist, there is generally no need to prove that the conduct had any effects on the market (*e.g.,* no need to show any adverse effects on customers or any gains by competitors).

5.4.1 Do

- ✓ Keep competition law rules in mind, if you have any contact with a competitor whether at a formal, informal and/or purely social level; prepare an agenda and in any case minutes.
- ✓ Leave a meeting where improper competition-related matters are being discussed and immediately decline to discuss any such topics if a competitor brings them up. Draft an internal report on your declining to participate.
- ✓ Learn through the market place and not from competitors.
- ✓ Where you have a customer/supplier relationship with a company that is also your competitor, limit any communication to the data which you normally communicate to other customers or suppliers.

5.4.2 Don't

- ☒ **Do not** discuss or agree with a competitor on **sales related information** related to:
  - individual prices, price changes, pricing methods, discounts, rebates, trade margins;
  - the allocation of markets, territories, customers or suppliers;
  - proposed marketing strategies, including special offers.
- ☒ **Do not** discuss or agree with a competitor on **production related information** related to:
  - levels of production, production processes and methods;
  - stocks and stock policy;
  - production costs, including raw materials.
- ☒ **Do not** discuss or agree with a competitor on **planning related information** related to:
  - R&D;
  - capital investment;
  - market entry (launch of a new product or expansion in a new territory);
  - proposed increase or decrease in production capacity.
- ☒ **Do not** discuss or agree with a competitor on a collective boycott of certain customers or suppliers, or on any joint action against a competitor.
- ☒ **Do not** remain at a meeting, formal or informal, where others engage in improper discussions on competition-related matters, even if you do not participate actively in the discussion.

5.5 Competition law in the context of corporate transactions

The principles described above in relation to the exchange of commercially sensitive information also apply in the context of corporate transactions. In this context, it is possible to organise the exchange of information by setting up appropriate **framework and safeguards**, such as confidentiality/non-disclosure agreements ("NDA") and setting up of clean teams (*i.e.,* limited number of Leaders and Employees to whom access to predefined sensitive information will be given).

These types of mechanism can only be usefully used in the context of **legitimate business transactions** but **cannot be used to legitimize otherwise illegal conducts** (*e.g.,* a cooperation in practice merely designed to share markets and/or customers). Importantly the exchange of sensitive information must at all times be strictly necessary to the envisaged cooperation or transaction, and the scope of what is permissible or not is likely to evolve with the negotiations. You should also **properly document the end of any discussions or negotiations** and in most cases comply with the instructions to delete sensitive information received.

- ➢ You should **always** contact your Legal counsel or the Antitrust & Compliance Officer as early as possible when contemplating any form of cooperation or transaction with a competitor to assess the legitimacy of the transaction and if applicable to define and set up the proper framework.

6 Dealing with distributors

Competition laws also require that free competition is maintained between our own customers or distributors.

It is permissible to do direct business in parallel of distributors, however, there must not be a case-by-case discussion or agreement of who should supply which project. Remember that a **distributor can in certain circumstances be considered a competitor** (in which case, the stricter principles applicable to the relationship with competitors apply).

- Restrictions of competition in vertical agreements (i.e., vertical restraints) should be avoided as they may lead to partial or complete nullity of agreements but also to fines:
  - ☒ **Provisions that can result in products or services being more expensive for consumers** than they would have been in the absence of the provision can come under scrutiny of competition authorities or national courts;
  - ☒ **Watch out for restrictions that can limit intra-brand competition**, *i.e.*, provisions that may reduce the ability for a buyer to buy a certain brand from different sources or at different prices
  - ☒ **It is broadly prohibited for a supplier to fix or impose a resale price to its distributors**. This is generally construed as vertical price fixing and is heavily prosecuted
- **Vertical restraints requiring special attention relate to exclusivity, non-compete and long-term agreements**
  - Such provisions can be restrictive of competition if they can have as their effect to block other suppliers from bringing their products to the market. Seek guidance from Legal.

In Europe (European Union plus Norway, Switzerland, Iceland, Lichtenstein), competition law is also used to **ensure free competition between member states**:

- This translates into hostility vis-à-vis territorial restrictions,
- Customers/distributors must be free to sell our products in the territory and under their own conditions:
  - ☒ Restricting this freedom (*e.g.*, by imposing restrictions regarding where or to whom customers/distributors may or may not resell to) is generally not allowed.

7 Dealing with suppliers

The specification(s) and quality of products purchased, pricing, your margins, cost and other parameters that are directly relevant to do business with a supplier can be discussed. This means that you should not discuss Etex's resale prices with suppliers.

Similarly, you should not discuss with your suppliers which companies they should or should not supply to, nor should you lead a supplier to disclosing information about their other customers.

Finally, do not create any appearance of a cartel via a supplier. This means that you shall not exchange commercially sensitive information about your competitors or your supplier's competitors. If the flow of commercially sensitive information about competitors (*e.g.,* conditions granted to competitors, recent or future volumes delivered) becomes frequent or systematic, please contact the Antitrust & Compliance Officer.

8 Specific obligations applicable when in a dominant position

Dominance is commonly defined as the ability for a company to act/behave independently from its competitors and customers but the precise boundaries of what constitutes a dominant position vary from one jurisdiction to another (*i.e.,* different market share thresholds or presumptions may apply) and is highly dependent on a case-by-case analysis (*e.g.,* what is the relevant market to assess market share? What is the structure of competition?).

Being dominant is not in itself an issue but it creates a special responsibility leading to certain conducts to be analysed more strictly. As a result, certain practices that are generally legal (in the absence of dominance) can be considered abusive and expose to complaints or investigations (if dominant).

- **Caution is required in situations involving**:
  - exclusivity arrangements and/or certain loyalty enhancing schemes,
  - a refusal to supply a specific customer or decision to terminate an existing relationship can be considered abusive in the absence of an objective justification,
  - a decision to treat a customer differently from other customers can be considered discriminatory in the absence of an objective reason to do so,
- **Do not** use language that could support allegations of abuse (*e.g.*, "we are dominant in this market", "we need to push competitors out of the market").

In case of doubt, please contact the Antitrust & Compliance Officer for clarification.

9 Your responsibilities: reporting, communication, documentation

Compliance with the Policy

Etex is committed to ensure strict compliance with competition laws in all jurisdictions in which it operates. You must ensure that you read, understand and always comply with this Policy.

Reporting duty

To ensure full compliance with this Policy, you are responsible for raising concerns and reporting any suspected or actual instances of non-compliance with this Policy by any means to the Antitrust & Compliance Officer, your Legal counsel, or your manager. In this context, Etex encourages anyone who, in good faith, lawfully and truthfully, seeks advice, raises a concern or reports a possible misconduct. Etex will not take any retaliatory action against you for raising such concerns or filing such a report.

Communication

Given that any document may be subject to review by competition authorities, internal and external business communications should be prepared using proper language:

- **Do not** use language that could be misinterpreted (*e.g.,* speculating on the legality or illegality of a particular conduct, or suggesting that you or Etex may tolerate or be involved in an anti-competitive behaviour);
- **Avoid** language overstating Etex's market position or competitive strength (*e.g.,* "ability to squeeze competitors out of the market", "pricing power").

Document the facts

The best defence to allegations of anti-competitive behaviour is to keep accurate documentation relating what happened. Contemporaneous evidence (*i.e.,* prepared with a fresh memory of the events) is always best.

- Prepare an **agenda** if planning a contact with a competitor and share advance of the meeting to avoid any misunderstanding.
- Please prepare **minutes** of activities that may raise problems:
  - Meeting with a competitor or competitors whether formally (*e.g.,* trade association) or informally (*e.g.,* trade fair, social event);
  - Commercially sensitive information about a competitor obtained from customer, supplier, distributor;
  - Refusal to deal with supplier or customer/distributor;
  - Pricing decision to competitor's actions – always unilateral;
  - Indicate source of information.

Use neutral language staying short of allegations, speculation or exaggeration (*e.g.,* "this can be illegal/anti-competitive", "this will eliminate competition").

In case of doubt, please contact the Antitrust & Compliance Officer.

10 Golden rules in case of an investigation

Competition authorities have the ability to conduct onsite investigations (known as "dawn raids"). These investigations are unannounced and disruptive.

- You have a duty to cooperate throughout the investigation:
  - ☒ **Do not** be hostile or obstructive
  - ☒ **Do not** refuse to provide information, documents or answers to questions without legal advice
  - ☒ **Do not** destroy or delete any document whatever the format
  - ☒ **Do not** communicate about the investigation with anyone
- Investigators have broad but not unlimited powers
  - ☑ **Do seek** immediate legal advice if at any stage you are uncertain as to your rights and responsibilities
- Inform Antitrust & Compliance Officer in case of an investigation and promptly seek the assistance of specialized external counsel (if possible, already to assist during the dawn raid).

11 Training and questions

An e-learning module was developed to supplement this policy and should be completed once per year. Should you require **ad hoc training** or if you have **questions** about competition law and/or this Policy, please contact the Antitrust & Compliance Officer at mathieu.guillaumond@etexgroup.com.

Exhibit 1

Drafting and Revision history

Version	Date	Summary of the main changes	Author
1.	December 2018	N/A	Group Legal
2	September 2021	Updated sect.6, new sect 10	Group Legal

ExCom Approval

Version	Date	Name Approver	Function Approver
1.	December 2018	N/A	ExCom
2	September 2021	Virginie Lietaer	ExCom