

ANTITRUST POLICY

1 Introduction

- 1.1. It is the policy of Ammega Group BV and its subsidiaries (“Ammega”) that all employees, officers, directors, and agents comply strictly and in good faith with the letter and spirit of antitrust laws applicable to Ammega’s business.
- 1.2. In this document, the term “antitrust” is used for the laws in all jurisdictions relating to the control of anticompetitive agreements and practices, whether these are known in some countries as “competition” or “trade practices” laws.
- 1.3. Antitrust laws are focused primarily on identifying the line between robust competition and anticompetitive, or predatory, conduct that reduces competition to the detriment of consumers. These laws are designed to deter and punish anti-competitive behaviour.
- 1.4. Antitrust laws seek to protect consumers from:
 - a. higher prices
 - b. reduced output
 - c. diminished quality
 - d. limited choice
 - e. decreased innovation
 - f. abuse by monopolies or firms with dominant market positions
- 1.5. Over 100 countries have adopted some type of antitrust law. These laws are enforced aggressively by government agencies, many of whom coordinate their efforts and share information.
- 1.6. Ignorance of the law is not a defense or a mitigating circumstance.

2 Purposes of the policy

- 2.1 The purposes of this policy are:
 - a. to provide a basic understanding of the aims of antitrust laws;
 - b. to address key concepts, points of risk exposure; and
 - c. to suggest compliance best practices.
- 2.2 Contact the Chief Compliance Officer whenever questions arise about the propriety of any existing or proposed course of conduct, or if you have questions about this policy.
- 2.3 This antitrust policy builds on, and is in addition to, Ammega’s Code of Conduct.

3 Scope & individual responsibility

- 3.1 Each of us is required to read and understand this policy. While we are not expected to be experts in antitrust law, we must recognize potentially anticompetitive behaviour and seek advice to mitigate risks.
- 3.2 Failure to be informed about antitrust laws may subject one or more of us to criminal prosecution, as well as threaten the growth, goodwill, and financial standing of Ammega.
- 3.3 Compliance with antitrust law ensures that Ammega competes aggressively, but fairly, within the limits of acceptable business practices.
- 3.4 Responsibility for compliance rests with each individual.

4 Consequences of non-compliance

- 4.1 The consequences of violating - or even being accused of violating - antitrust laws can be severe and include:
 - a. huge fines, measured in millions
 - b. punitive damages
 - c. long-term injunctions, defining practices that a defendant must avoid and limiting the way in which it may conduct its business
 - d. prison sentences for individual employees
 - e. director disqualification
 - f. negative press, tarnished reputation and damaged commercial relationships
 - g. legal proceedings at enormous expense, distraction of management resources and disruption to business
- 4.2 The level of penalties Ammega is exposed to in some of the countries where we operate are:
 - a. USA - company penalties up to US \$100 million and individual penalties of up to 10 years in prison and/or fines of up to US \$1 million. The US courts can order Ammega to sell assets or leave markets.
 - b. European Union – company penalties up to 10% of worldwide turnover.
 - c. Mexico - company penalties up to the higher of ≈ US \$7.5 million and 10% of annual sales or asset value. Forced sale of assets.
 - d. Brazil - company penalties up to 30% of gross pre-tax revenue.
- 4.3 In 2019 aggregate enforcement penalties levied on companies for cartel activity were: EU €1.484 bln and USA \$356m.
- 4.4 Remember, both Ammega and you - as an individual - can be prosecuted for violations of antitrust laws.

5 Enforcement

- 5.1 Enforcement of antitrust laws can be triggered by:
- a. a competitor blowing the whistle on anticompetitive behaviour, in exchange for immunity
 - b. a suspicious customer or aggrieved competitor filing a complaint
 - c. investigation by antitrust authorities

6 Compliance with antitrust laws makes good business sense

- 6.1 By having a credible approach to compliance with antitrust law, Ammega can enjoy:
- a. enhanced reputation among existing and potential customers
 - b. being able to recruit top talent
 - c. increased confidence when faced with competition law issues in commercial negotiations. Just knowing when we need to get specialist legal advice can help us to compete more aggressively, but lawfully
 - d. improved awareness of risks, leading to prevention and early detection of issues
 - e. comfort that it will be easier to sell a business with a solid record of competition law compliance. No purchaser wants to take the risk of future liability for cartel or other anti-competitive activity.

7 Three main danger areas

7.1 Competitors - cartels

This area covers a wide range of illegal arrangements between competitors, not just secret meetings or written agreements. A single informal discussion or implied understanding can constitute a breach. Cartels are the most serious form of antitrust violation.

7.2 Customers / Distributors - restrictions in agreements

Provisions in agreements to fix resale prices or restrict where (or to which customers) a reseller or distributor can resell the product, may be illegal under national competition laws.

7.3 Abuse of a dominant position

Where Ammega has $\geq 40\%$ share in a particular market, it may be in a “dominant position” and can violate antitrust laws by conduct that limits the ability of other companies to compete in that market.

Just being dominant is usually not illegal, but the misuse of market power can be. Examples of abuse include refusing to supply customers or treating similarly situated customers differently without good reason (unlawful discrimination).

8 Conduct with competitors – horizontal arrangements

- 8.1 All communications with competitors must be for legitimate reasons; e.g., joint ventures, attending trade fairs, supply agreements, M&A discussions, meetings of trade associations.
- 8.2 Antitrust laws prohibit agreements or unlawful coordination between competitors that harm competition in a market.
- 8.3 Ammega must always make business decisions about its commercial strategy independently and unilaterally and not in collaboration with competitors.
- 8.4 A common understanding between competitors on how to behave in the market is usually considered sufficient proof of an illegal agreement, even if the agreement is never acted upon and even if it is not in written form.
- 8.5 If information is capable of influencing market behaviour, then even a single exchange or one-way sharing of that information (directly or indirectly) between competitors may be illegal.
- 8.6 Any meeting or discussion with a competitor carries the risk that it will be construed as evidence of an illegal cartel agreement.
- 8.7 An agreement does not need to be in writing, or even have to be based on a verbal agreement. Illegal agreements may be inferred from conduct and other data such as:
 - a. telephone calls
 - b. emails
 - c. meetings or social events at which competitively sensitive information is discussed, such as pricing or marketing strategies
 - d. timing of pricing decisions
 - e. participation in trade association meetings
- 8.8 Certain types of agreements between competitors are illegal in themselves, including agreements to:
 - a. fix prices
 - b. set the time or method of price increases
 - c. allocate markets
 - d. limit production
 - f. rig bids; e.g., agreeing not to bid, agreeing which firm will win the bid, or subcontracting part of the main contract to a losing bidder

The purpose or intent of such agreements are irrelevant.

8.9 Competitors' information:

- a. To compete effectively, we must sometimes gather information about Ammega's competitors' prices and their actions in the marketplace. We may not obtain this information directly from competitors, because the exchange of commercially sensitive information implies an unlawful agreement.
- b. Information may be obtained only from legitimate sources, such as:
 - business press
 - the internet
 - customers
 - consultants
- c. When customers or consultants are the source of information, Ammega must make sure that this does not suggest the use of an intermediary to communicate with competitors. Moreover, we cannot consent to any customer or consultant sharing Ammega's commercially sensitive information with any competitor.
- d. We must avoid using information received from an unknown source. This includes documents that arrive in unmarked envelopes and information conveyed by intermediaries who do not disclose their sources.
- e. We must not speak to competitors, even informally, including by e-mail, about:
 - pricing, production, customers or markets;
 - which suppliers, customers or contractors Ammega deals with, or intends to deal with; or
 - which markets Ammega intend to sell into, or the terms on which it will sell.
- f. We must not make any statements that could be considered or interpreted as an invitation to competitors to act; i.e., "signalling"

8.10 Antitrust and trade associations

- a. Attendance at trade fairs or trade association meetings involves contact with competitors and creates potential exposure to antitrust risk. Accordingly, it is necessary to:
 - ensure that the association is committed to competition law compliance
 - obtain a copy of the agenda prior to each trade association meeting or conference call. Do not participate if no agenda is provided.
 - ensure minutes are prepared, reviewed and that any mistakes are reported
 - leave the meeting and have your departure recorded if competitively sensitive discussions arise. Report the matter to the Chief Compliance

Officer without delay.

- maintain a register of membership of, or attendance at, trade associations or similar industry groups
- b. The Chief Compliance Officer must brief Ammega personnel before they attend a trade fair or trade association meeting to ensure they understand their obligations when communicating with competitors.

9 Conduct with customers and distributors– vertical arrangements

9.1 Restrictions on the resale of Ammega’s products, such as resale price agreements, exclusive territories and excluding customers, can be illegal in certain countries if they impair competition.

9.2 Antitrust risks can also arise in other aspects of Ammega’s relationships with customers, distributors and suppliers, including:

- a. sales that require the customer to purchase two or more unrelated products; i.e., buyers wanting to purchase one ("tying") product being forced to buy a second, less desirable ("tied") product that the buyer might not purchase unless required to do so;
- b. discrimination in the prices charged to different customers, or in merchandising support, to similarly situated buyers;
- c. joint purchasing arrangements;
- d. fictitious brokerage; i.e., paying commission to a customer for bogus services, instead of having a discount structure, to conceal discriminatory pricing.
- e. prohibition of sales made in response to unsolicited orders from outside the allocated sales territory; i.e., “passive sales”

None of the above conduct is automatically illegal. It can be permissible or unlawful, depending on the circumstances and jurisdiction. Assessment against the relevant antitrust laws will be required.

9.3 Please take legal advice before entering into any vertical arrangements (including agency, distribution, dealership or reseller agreements) where any of the above restrictions are included.

10 Abuse of a dominant position or monopoly power

10.1 Even if it has a high market share, Ammega will not be in violation of antitrust laws if its conduct consists only of competing on the basis of lower prices, better products or better service. Market power as such is not unlawful, but the abuse of it is.

- 10.2 Unlawful conduct will be established if all following three elements exist at the same time:
- a. dominant position (EU) or monopoly power (USA);
 - b. abuse or exclusionary conduct; e.g., conduct that shuts out competition by causing buyers to source products only from dominant supplier. Examples include: exclusive dealing; tying or bundling product ranges; rebates or discounts not linked to efficiency gains or identifiable cost savings; or refusing to do business; and
 - c. harm to consumers and competition or foreclosure consequences.
- 10.3 Ammega may be guilty of abuse if, for example:
- a. it raises or maintains prices above competitive levels in a defined product or geographic market (USA)
 - b. its conduct harms competition by excluding or impairing opportunities for rivals (USA)
 - c. it refuses to deal or license, conducts a predatory pricing strategy (e.g., pricing below cost), binds customers with exclusivity deals, offers market-foreclosing rebates (EU)
 - d. it takes advantage of the fact that neither customers nor competitors are able to restrain its commercial behaviour (e.g., by charging excessively high prices in circumstances where the customer is unlikely to be able to switch products) (EU).
- 10.4 Some corporate transactions may violate antitrust laws if they impair competition. Certain of these transactions must be reported to antitrust authorities before they are completed, including:
- a. a merger;
 - b. an acquisition of the shares or assets of another company; and
 - c. the formation of a joint venture.

11 Advice on correspondence, notes and emails

- 11.1 Careless choice of words in routine business correspondence, memoranda, informal handwritten notes or emails (“documents”), may be used as circumstantial evidence to infer an illegal agreement between conspiring companies.
- 11.2 Consider whether it is necessary to create a document in the first place.
- 11.3 Particular care must be exercised in referring to market conditions and the propriety of Ammega’s conduct. Thus, never speculate that a particular course of action may be “illegal.”
- 11.4 Never make uneducated, facetious, flippant or sarcastic remarks about sensitive questions relating to antitrust laws. Such comments often are interpreted much differently than the author intended.

- 11.5 Any document concerning competition should merely state facts and should not contain any editorial commentary. If price information is being provided, details should be included to make it clear that it was obtained from a proper source, not from a competitor.
- 11.6 Each document should be written on the assumption that at some future date, it will be produced for inspection by antitrust enforcement authorities (or lawyers) who may tend to interpret it in the worst light possible.
- 11.7 Please keep the following in mind when writing:
- a. do not use words suggestive of illegal or surreptitious behaviour; e.g., “please destroy after reading” or “do not forward”;
 - b. do not overstate the significance of Ammega’s competitive position or marketing strategy; e.g., “we will dominate the market”, “we enjoy a dominant position,” “this will cripple the competition”, or “we are a price leader”;
 - c. do not speculate or comment on the legality or potential illegality of any particular business conduct;
 - d. do not describe as undesirable or objectionable the competitive activities of competitors or customers. Customers are lost, not “stolen;” price cutting is not “cheating” or “unethical;” and companies who charge higher or lower prices than Ammega are not “mavericks” or “irresponsible.”
 - e. do not suggest that a customer or a class of customers is getting special treatment; e.g., by using the words “for you alone”
 - f. do not use language that suggests collusion, e.g., “industry agreement”; or “industry policy”; or “the industry is implementing a price increase.”; or “the industry lacks discipline.”

12 Ask for support

- 12.1 It is critical that we all understand situations that could give rise to antitrust risk and that the Ammega Group businesses and functions take all appropriate steps to mitigate that risk.
- 12.2 If you are facing a situation where the right decision is not clear, or you have any questions, comments or concerns, please contact the Chief Compliance Officer for support.

13 Policy review

This antitrust policy is approved by the Group Executive Committee and will be reviewed at least annually to ensure that it is appropriate, adequate and effective.