



AFIXGROUP
COMPLIANCE POLICY

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ANTI TRUST

CONDUCT

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1. PRELIMINARY REMARKS

Trade associations fulfill an important function in business and politics. They enable their member companies to exchange views and ideas on economic, technical and other relevant social topics and to communicate with the public, governments and administrative bodies with one voice.

It is in the nature of trade association activity that it brings together representatives of competing companies. Such contacts bear the risk and can create the appearance of anticompetitive conduct („appearance of wrongdoing”). This applies in particular when representatives meet in get-togethers the evening before or after the meeting, for example in the hotel bar or lounge. The distinction between admissible and anticompetitive behaviour/exchange can be difficult in such cases. Even if the exchange was in line with the legal requirements at the beginning and even if the Afix Group representatives observe the applicable rules, there is a risk due to the composition of the participants and the nature of the topics discussed that topics that are problematic from an antitrust law point of view are raised by other participants.

For these reasons the antitrust authorities keep a watchful eye on trade association activities. In the event of competition law violations in connection with association activities, not only member companies but also the associations themselves may face fines of up to 10% of the total sales of their member companies, who ultimately have to pay these fines in addition to their own fines.

Afix Group employees taking part in association meetings must always be aware of the associated risks and comply with the principles and standards of conduct presented below.

These principles also apply if Afix Group employees meet representatives of competitors outside of trade association activities. The antitrust requirements for cooperation between competitors outside of trade associations are described in the Afix Group Guidance Note on antitrust law.

2. TRADE ASSOCIATION MEMBERSHIPS

Any accession to a trade association has to be approved in advance by the management of the respective Group Company and notified to the Afix Group CEO-CFO. The same applies to the accession to a working group of a trade association.

Furthermore, the requirements of the Group Policy on Corporate Citizenship Activities, Memberships, and Ticket Purchases in its current version must be observed.

3. TRADE ASSOCIATION ACTIVITIES

Any accession In the context of trade association activities there is a thin line between admissible and anticompetitive behavior. The following explanations can be used as a first indication for your own assessment:

a) Trade association activities infringing competition law

The following association activities are not permissible under competition law. Afix Group employees may not participate in such activities.

- » Disclosure of sensitive price information (specific pricing or price strategy of member companies incl. current/forthcoming change to prices or price components) to member companies or the public.
- » Issuing of costing formulae (e.g. price and calculation formulae) if this could lead to a standardization of conditions among competitors.
- » Call by association for member companies to enter into voluntary commitments (e.g. compliance with environmental or technical standards beyond statutory requirements) if this has the purpose or effect of establishing specific practices among member companies in the market.
- » Call for members and third parties (e.g. other associations) to boycott specific companies.
- » Refusal to admit companies or other associations to the association without objective justification.

b) Trade association activities that are problematic from a competition law point of view

The following trade association activities do not per se constitute a violation of competition law and may be admissible, if certain requirements are observed. They have to be examined on a case-by-case basis. In case of doubt regarding the legal situation concerning market definition or market shares, the existence of actual or potential competition (both are relevant) as well as the participation in statistics, market information systems or benchmarking Afix Group CEO-CFO has to be consulted:

- » Market information systems or statistics aimed at collecting, processing and reporting data in the public domain or that do not allow the identification of individual transactions, specific prices, average prices, price components including surcharges or discounts, volumes, or other competitive conditions of individual companies and also do to not allow conclusions to be drawn regarding the behavior of individual companies. (Problematic: number of participating companies < 5 or a small number of participants with high market shares; exchange of current data; detailed split by product categories or limited number of transactions (<10)).
- » Supplier evaluations or other benchmarking (e.g. list of suppliers meeting specific minimum requirements).
- » Preparation, discussion or publication of specimen terms and conditions of business (payment conditions, delivery periods, scope of warranty and other general terms and conditions), provided this does not lead or is not designed to lead to concerted practices by the members in the market.

» Establishment of technical standards provided they are openly accessible and not aimed at eliminating specific competitors (no “closed shop”) (e.g. joint commitment to comply with specific quality standards and certification of products with quality marks – so-called quality associations or societies).

c) Trade association activities that are in line with competition law

The exchange of non-product-specific information among competitors is permissible at association meetings. The following behavior is therefore permissible:

- » Treatment of political issues, general legal and tax issues.
- » Discussion of general economic topics (business cycle, exchange rates, interest and inflation trends, etc.).
- » Assessments of the general market trend (trends: market growth/market shrinkage, emergence of new players, etc.).
- » Assessments of the general product trend (new products already on the market/product advancements/ product additions, etc.).
- » Discussion of general technology developments provided no conclusions can be drawn about innovations of individual suppliers and their market maturity (protection of secret competition!).
- » Information about company’s key financials at high degree of aggregation (total sales, income, EBIT, ROCE, cash flow, etc.).

4. EXCHANGES

EXCHANGES BETWEEN COMPANY REPRESENTATIVES DURING OR AT THE OCCASION OF TRADE ASSOCIATION MEETINGS

There is no such thing as a trade association privilege! The general competition rules and the resulting restrictions also apply to meetings of competitors at the occasion of trade association meetings. The exchange of competitively sensitive data with competitors as well as the conclusion of anticompetitive agreements is prohibited during trade association meetings as well as in the context of any other meeting with competitors. For further information please consult the Guidance Note on antitrust law.

Contacts during get-togethers the evening before or after the meeting, for example in the hotel bar or lounge, are typically highly problematic. Such informal contacts with competitors can potentially lead to antitrust violations. Even if the exchange was in line with the legal requirements at the beginning and even if the Afix Group representatives observe the applicable rules, there is a risk that topics that are problematic from an antitrust law point of view are raised by other participants. Furthermore, such situations can create the appearance of anticompetitive conduct for third parties („appearance of wrongdoing”).

Consequently, employees of Afix Group should only participate in the official part of trade association meetings. The participation in any social program organized by the host (e.g., joint dinner, cultural events, etc.) should – if possible – be avoided. Other contacts with representatives of competitors outside of the official program (e.g., at the hotel bar) have to be avoided. In case the participation in the social program organized by the host is the best interest of the company, you have to take particular care, that none of the prohibited anticompetitive conduct or exchange of information described in the Guidance Note occurs.

5. CORRECT CONDUCT

CORRECT CONDUCT IN CONNECTION WITH TRADE ASSOCIATION MEETINGS

Competition authorities have established very strict requirements for participants in trade association meetings. The following information and recommendations for Afix Group employees regarding the correct behavior in connection with trade association meetings are based on these requirements:

- » In advance of any trade association meeting the participant should discuss with his or her supervisor based on the agenda if a participation is appropriate and necessary.
- » Arrival and departure should – with the exception of meetings requiring extensive travel – occur on the date of the trade association meeting. If this is not possible, the supervisor has to be notified. Any arrival or departure should not be coordinated with representatives of competitors.
- » The participation in meetings is prohibited, if the participant is aware that an anticompetitive exchange of information has taken place during previous meetings of a particular trade association or if there are indications (e.g., based on the agenda for the next meeting) that there is a risk of anticompetitive conduct in future meetings. The participation in any trade association has to be terminated after consultation of the Afix Group CEO-CFO, if future anticompetitive conduct cannot be excluded.
- » Afix Group employees may only attend trade association meetings, if a written agenda has been circulated in advance, and if this agenda is observed. A change of the agenda should only be accepted, if it is recorded in the minutes of the meeting and if the new agenda item is permissible under competition law.
- » If a Afix Group employee intends to present or distribute documents, the employee has to assure that these documents only contain information that may be shared with competitors under the applicable competition law restrictions. In case of doubt, Afix Group CEO-CFO has to be contacted in advance.
- » Afix Group employees are obliged to prepare notes to document the topics discussed during trade association meetings. This also applies to discussions (especially with competitors) that take place outside of these meetings. The employee should try to arrange that the trade association creates an official written protocol of the meeting.
- » If competitors begin to discuss illegal topics, the Afix Group employee must insist that they stop.

» In cases of doubt about the permissibility of an exchange of ideas, the Afix Group employee must request that the discussion be postponed until a future association meeting ahead of which the matter can be reviewed by a legal advisor of the trade association or internally by the Afix Group CEO-CFO. This also applies to any subsequent changes to the agenda (see above).

» If the discussion is nevertheless continued, the Afix Group employee must protest and leave the association meeting, ensuring that his or her departure is noted in the records. In addition, they must inform the Afix Group CEO-CFO.

Note: Mere presence at illegal discussions can provide grounds for assuming participation in an anticompetitive agreement even if an individual does not actively take part in the illegal discussion.

6. CONSULTING

CONSULTING A COMPLIANCE OFFICER OF AFIX GROUP NV IN CASES OF DOUBT

In many cases it is difficult for the company representative to assess whether individual association activities or events during or in connection with an association meeting are legal under competition law. The assessment of the competition law status of activities by association representatives is not always accurate. Since the distinction can be difficult, in cases of doubt the Afix Group CEO-CFO has to be contacted.

If you have any questions on this guidance note or any other Compliance matter, please contact:

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