

Antitrust and Fair Competition guidelines

Document objective

Gurit is committed to fully **comply with antitrust laws**. Failure to address the risk of anti-competitive practices may undermine our reputation and lead to investigations, fines and/or other penalties for Gurit and/or individuals.

The purpose of these guidelines is to provide guidance in concrete terms and with specific behavioural obligations to the sections of the Gurit Code of Conduct related to antitrust and competition law. These guidelines are to be read in conjunction with the Code of Conduct.

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INTRODUCTION

1. What Gurit Code of Conduct says

Gurit Code of Conduct provides the foundation of our antitrust and fair competition guidelines. The latest version can be found online in the Corporate Governance section of our website www.gurit.com.

The Code's philosophy is reflected by the following two statements:

"Gurit adheres to all **antitrust or competition laws** applicable to our business".

"Employees must not enter into any **discussions with competitors** where arrangements are made (i) that **affect prices, terms and conditions**; (ii) that **assign market territories or customers** to a single sales partner with absolute protection of market territories, not allowing to respond to unsolicited request from individual customers and (iii) that **restrict, exclude or distort** free and **open competition** in an illegal manner".







2. Who does this apply to?

These guidelines apply to **all employees** at all levels, directors, officers, agency workers, seconded workers, volunteers, interns. They apply wherever our staff are located, even if local law is more lenient.

3. Purpose of Competition laws

The goal of antitrust laws is to **ensure a competitive marketplace** that allows efficient and innovative firms to succeed. Antitrust laws prohibit collusion among competitors, market practices that impair the ability of others to compete, and mergers and acquisitions that are likely to harm competition.

4. Consequences of infringing Competition laws

Protect yourself and the Company Infringing antitrust laws has negative consequences for everyone			
			
For the society	For the company		For the individuals
Competition law aims to safeguard consumer interests by promoting competitive markets . Eliminating or distorting competition can lead to reduced innovation, higher prices, and diminished service quality .	Large fines and legal costs (eg. European Union Commission can impose fines up to 10% of the consolidated total turnover of the Group .) Civil actions for damages by customers or competitors to recover losses from anti-competitive conduct. Damage to the company's reputation and image .		Large personal fines or imprisonment for individuals.

5. Applicability of Competition laws

The laws vary from country to country, but there is a growing trend towards harmonization of antitrust legislation in all countries where the market economy and free competition have been adopted as the best model for economic development.

In most countries competition law:

Prohibits **anti-competitive** agreements or practices (price fixing, bid rigging, market sharing, sharing sensitive information with competitors)

Prohibits **abuse of a dominant position** on a market

Regulates proposed **acquisitions and joint ventures**

6. Main prohibitions explained

6.1 Anti-competitive agreements or practices

Anti-competitive agreements can be **written, oral or tacit agreements** between companies operating at the same market levels (competitors) or at a different market level (suppliers or customers) such as: contracts confirmed by email or verbal contracts; Gentlemen agreements, Agreed behaviors.

Intra-group agreements are not covered by competition law.

➤ **Relationship with competitors (horizontal agreements or cartels)**

Horizontal agreements between competitors refer to agreements or arrangements made between two or more companies operating at the same level of the supply chain or within the same industry. These agreements typically involve competitors coming together to coordinate their activities, which can potentially raise antitrust concerns.

Some examples of horizontal agreements include:

- **Price-fixing agreements:** Competitors agree to set prices at a certain level, limiting competition and potentially leading to higher prices for consumers.
- **Market allocation agreements:** Competitors agree to divide markets or territories among themselves, reducing competition in specific regions or customer segments.
- **Output restriction agreements:** Competitors agree to limit their production or output levels to artificially control supply and maintain higher prices.
- **Bid-rigging agreements:** Competitors collude to manipulate the bidding process for contracts or projects, ensuring that a particular company wins the bid.
- **Information sharing agreements:** Competitors agree to share sensitive information, such as pricing, costs, or future business strategies, which can result in reduced competition and anticompetitive effects.
- **Boycotts:** Competitors agree not to do business with particular suppliers or customers.

Decisions regarding **prices, territories or quantities** must be reached autonomously and **without consulting competitors**. Any coordination and exchange of information about prices, terms, production and sales quotas as well as allocation of markets must be avoided. Contact the Legal Department if you have uncertainties.

➤ **Agreements between companies at different market levels such as distributors or resellers (vertical agreements)**

Vertical agreements are agreements between companies which are not operating at the same market level and are therefore not competitors. For example between a manufacturer and distributor or a supplier.

Vertical competition agreements about the following issues, in particular, are forbidden and threatened with substantial sanctions in many countries:

- **Fixing resale prices**, for example, compliance with fixed or minimum prices set by a materials manufacturer for the resale of his materials;
- **Absolute territorial protection**, for example, the agreement with a materials manufacturer not to sell his products in territories other than those assigned;
- **Obligations to purchase, exclusive agreements or prohibitions of competition**, if certain preconditions are met.

Not all vertical agreements are anti-competitive. Suppliers and manufacturers may impose certain restrictions in distribution agreements:

- They can **recommend a resale price** but they cannot fix the distributors resale price (often known as 'resale price maintenance').
- They can contractually **limit a distributors 'active' sales** into a territory, region or group of customers, this being those they can actively market to and pursue. They cannot however prohibit 'indirect' sales from outside of this territory, region or group of customers if third parties come to them of their own accord.

There are numerous types of vertical competition agreements. While certain types are forbidden and threatened with substantial sanctions, there are also such agreements which are permissible within certain boundaries (e.g. exclusive contracts, restrictions on purchase and resale etc.). Contact the Legal Department if you have any uncertainties.

6.2 Abuse of Dominant position

If a company has a high market share, or if it has a reasonable prospect of obtaining a high market share, conduct that limits others' ability to compete may be unlawful. Conduct that might be permissible for smaller companies may be illegal for a monopolist. **High market shares alone, however, do not violate the antitrust laws.** And a company generally will not violate the antitrust laws if its conduct consists only of competition based on lower prices, better products, or better service.

Generally speaking, a company is considered to be in a dominant position if it can take business decisions without regard to its competitors. There is a high risk of being considered to be in a dominant position if you have a share of 50% or more of the relevant market.

If a Gurit business has a dominant position in a particular market, you must not:

- Impose excessively high prices
- Discriminate between customers without justification
- Impose an exclusivity commitment on a customer
- Inform a customer that you will only supply them with product A if they also agree to purchase product B from you.

6.3 Anticompetitive corporate transactions (JV, M&A)

Some corporate transactions may violate antitrust laws if they are likely to harm competition.

These transactions include mergers, acquisitions of the voting shares or the assets of other companies, and joint ventures.

Corporate transactions meeting certain thresholds must be reported to the antitrust authorities before they are completed.

7. Behavior and investigations

7.1 Internal and external communication in day-to-day business

Be careful how you communicate, particularly by email and telephone. Communications which are perfectly legitimate but carelessly worded can be very damaging if the Company is subject to an investigation by Competition Authorities or is involved in litigation with another company. Remember that innocent statements may be read by a third party who may not have all the background and a poor choice of words can make an innocent activity look suspect.

Also, keep in mind that all your internal documents may be examined by the Competition Authorities in the course of an investigation (including "confidential" diaries, personal notes, telephone records, central and local storage drives and databases including re-constituted electronic messages sent or received which were intended to be permanently deleted).

Here are some simple guidelines:

- Refrain from exaggerated expressions about Gurit's market position and present the market position of your competitors correctly.

- Avoid “anticompetitive” language such as references to “killing” or “eliminating” the competition or “dominating” the market.
- Avoid “guilty” vocabulary, e.g. “Please delete/destroy after reading”.
- Avoid any suggestion that an industry view has been reached on a particular issue such as price levels.
- State clearly the source of any pricing information (so it does not give the false impression that it came from talks with competitors).

7.2 During investigations by competition authorities (“Dawn Raid”)

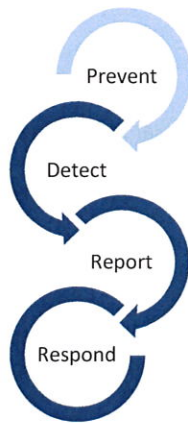
The competition authorities in many countries are authorised to carry out house searches without warning or notice, often in the early hours of the day. This is often referred to as a “dawn raid”. An investigation may be carried out at Gurit’s business premises, but also in your private home. It is in Gurit’s interest to handle any searches by the competition authorities efficiently.

If you are contacted by a Competition Authority or their representatives visit your site, check their identity and notify immediately the Legal Department

The following **principles** must be observed here:

- Do not refuse to consent to a house search if the employees of the competition authority present a valid warrant for this purpose
- Inform the Legal Department **immediately**, or an external lawyer. Insist on calling one of the points of contact mentioned immediately
- Always remain friendly and helpful and do not delay or prevent the investigation
- Do not destroy or falsify any documents and do not remove anything from the premises
- Do not inform anybody outside the company (with the exception of the external lawyers) about the ongoing house search
- Do not volunteer information without prior consent
- Do not sign anything on an official’s request before seeking advice from the Legal Department
- Do not enter any rooms that have been sealed by officials, under any circumstances
- Correspondence with external lawyers is protected in many countries (“legal privilege”) and must not be handed to the competition authorities; clarify any questions you may have concerning this with the Legal Department or the external lawyer
- The presentation of information, which is not covered by the purpose of the investigation, must be avoided

8. Implementation of the guidelines



You must ensure that you **read, understand and comply** with these guidelines.

The prevention, detection and reporting of anti-competitive practices are the responsibility of **all Gurit employees**.

	Prevent -Training Antitrust and fair competition principles are covered in Gurit Code of Conduct and its related Learning Management System program. Additional specific trainings will be provided as necessary.
	Detect – Internal audits Gurit will conduct periodic internal audits to monitor the effectiveness and review the implementation of these guidelines, its suitability, adequacy, and effectiveness.
	Report – Speaking-up We encourage you to raise concerns about any suspicion of breach of competition law at the earliest possible stage, through the channel of your choice in accordance with our internal procedure for reporting a concern. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith a breach of Gurit policies and guidelines.
	Respond – Sanctions Any employee who breaches antitrust and fair competition policies and guidelines will face disciplinary action, which could result in dismissal for misconduct. Any non-employee who breaches antitrust and fair competition policies and guidelines may have their contract terminated with immediate effect.

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