



Competition Law Compliance Guide

Group legal department

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A MESSAGE FROM MANAGEMENT

Circet Group wishes to be a trusted partner for its various stakeholders and is strongly committed to the fundamental values of compliance.

The management of the Circet Group relies on each of our employees to adopt ethical, honest and compliant behaviour in the conduct of all of the Group's activities.

It is therefore essential that competition law is adhered to in the various countries where the Group is present and/or operates.

This guide focuses on certain anti-competitive practices that each employee must be aware of in order to comply with applicable regulations.

This guide cannot be exhaustive and does not address all anti-competitive practices, or each specificity that may apply in the different jurisdictions under local regulations that may be more restrictive than the principles set out in this guide. Each employee must therefore ensure that these regulations are complied with.

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General Counsel

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WHAT IS COMPETITION LAW?

Competition law aims to ensure free and effective competition between the various players in the market.

REGULATION

Competition law exists in all countries where Circet is present.

THE ACTIVITIES IN QUESTION

Competition law applies to all the companies and activities of the Circet Group.

THE MAIN ANTI-COMPETITIVE PRACTICES

It is prohibited to reach an agreement with competitors or partners to limit competition.
Abuse of a dominant position is prohibited.



THE IMPORTANCE OF ADHERING TO COMPETITION LAW

COMPETITION: ONE OF THE PILLARS OF ECONOMIC GROWTH

Good competition between companies fosters innovation and leads to better market prices and a wider choice of products and services. Furthermore, to cope with this competition, companies looking to stand out will offer better quality products or services.

RISKS IN THE EVENT OF NON-COMPLIANCE WITH COMPETITION LAW

- Financial risk: fines may reach up to 10% of the worldwide turnover of the group to which the sanctioned company belongs. Moreover, customers, competitors or consumers who suffer damage as a result of the anti-competitive practice put in place may sue the company in question for damages.
- Reputational risk: competition law sanctions are often the subject of numerous press articles, not to mention that in many countries the authorities may require the company to post/publish the decision.
- Risk for individuals: in many countries, individuals who play a decisive role in the design or implementation of anti-competitive practices risk being prohibited from performing certain professional duties, and may be subject to fines and/or imprisonment.

COOPERATION WITH COMPETITION AUTHORITIES

In each country where the Circet Group operates, there are competent authorities in this area, which ensure the application of the laws. In Europe, the European Commission also monitors the application of these rules. These various authorities cooperate in carrying out their investigations.



HORIZONTAL AGREEMENTS

WHAT YOU SHOULD NOT DO WITH YOUR COMPETITORS

Each company must determine its business strategy in a completely independent and autonomous manner. Consequently, the practices referred to below, resulting from a concerted practice between competitors, constitute serious offences and are strictly **prohibited**.

Setting prices, commercial conditions, volumes

Dividing up markets (customers, territories, services)

Agreeing to boycott companies

Agreeing to limit innovation

HORIZONTAL AGREEMENTS

WHAT ACTIONS TO REFRAIN FROM WITH MY COMPETITORS

| PROHIBITED EXCHANGES OF INFORMATION <i>Examples</i> | INSTRUCTION |
|---|---|
| <i>Prices and any information on commercial conditions (discounts, reductions, bonuses, future increases, etc.)</i> | <ul style="list-style-type: none"> If you receive an email with sensitive information, reply to the email stating that you did not request this information, keep it and inform your lawyer. |
| <i>Production capacity, quantities/volumes, investments</i> | |
| <i>Cost structures</i> | <ul style="list-style-type: none"> Only use documents from public sources and always mention the source. |
| <i>Marketing strategies and innovations</i> | |
| <i>Customer requests</i> | <ul style="list-style-type: none"> Do not exchange sensitive information with your competitors through a third party (supplier, customer, or other). |
| <i>Response to calls for tenders</i> | <ul style="list-style-type: none"> Contact your legal department before any external commercial communication. |

Any information that would influence your behaviour by adapting your strategy should not be exchanged with your competitors.

HORIZONTAL AGREEMENTS

PARTICIPATION IN PROFESSIONAL ASSOCIATIONS

Competition law remains applicable when participating in professional associations or trade shows.

| Points for attention | The prudent rules to adopt |
|--|---|
| No discussion on sensitive information | Request the agenda prior to any meeting |
| The association must not provide its members with instructions about their commercial strategy | If sensitive information is shared: state that you do not agree and leave the meeting |
| Exchanges must give rise to the organization of boycotts of customers or suppliers. | Have your departure recorded in the minutes of this meeting and keep them |



HORIZONTAL AGREEMENTS

IN PRACTICE

RESPONSE TO CALLS FOR TENDERS

*It is prohibited to coordinate with competitors when responding to calls for tenders.
The following examples of behaviours are therefore prohibited.*

Refusing to respond
to allow a
competitor to win

Making an
inadmissible offer
to allow a
competitor to win

Dividing up
markets

Agreeing between
competitors to take
turns at winning

Exchanging any
sensitive
information

It may be lawful to respond as a group under certain conditions to be validated by your legal department.

VERTICAL AGREEMENTS

WHAT YOU SHOULD NOT DO WITH YOUR CUSTOMERS

Each company must determine its business strategy in a completely independent and autonomous manner. You must not interfere in the commercial policy of your customers. If this is the case, it will be a vertical agreement.



Do not set or limit the resale price applied by the customer.

You should remain vigilant in situations where you wish to:

- Limit the territories or customers in which and to whom a customer may resell a product or service;
- Negotiate exclusivity or a non-compete clause



In such situations, contact your legal department.

While some restrictive practices are prohibited, others may also constitute anti-competitive practices, when they are not regulated from a legal point of view.



ABUSE OF LEADING DOMINANT POSITION

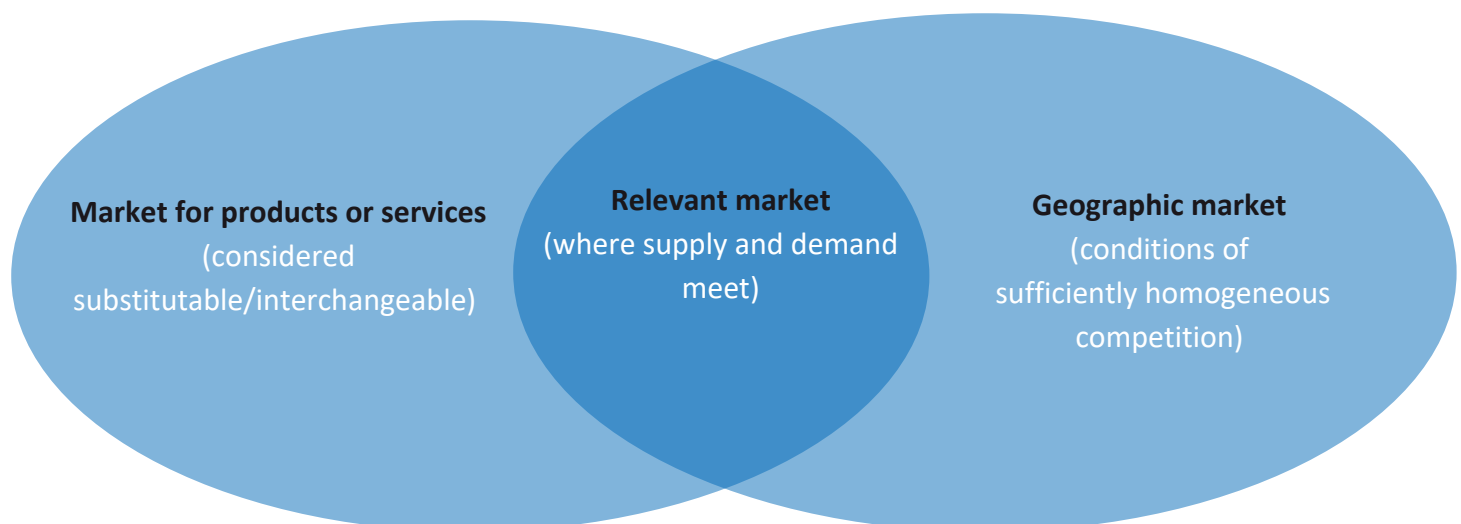
The abuse of a dominant position has two components:

- the company must have a dominant position, and
- the company abuses it.

The fact of being in a dominant position, maintaining and strengthening it, is not prohibited in itself, provided that this is part of fair competition, based for example on the quality of the services rendered.

Being in a dominant position

A dominant position is a position of economic strength, which could allow a company to impede competition. To determine whether an undertaking is in a dominant position, it is necessary to know its market share in the relevant market. The relevant market consists of the product market and the geographic market.



Warning, the market is constantly changing

There is generally a dominant position beyond a 40% market share, but depending on the nature of that market, it could also be lower. Check with your legal department.

ABUSE OF LEADING DOMINANT MARKET POSITION

Abuse

Abuse of dominant position occurs when a company engages in behavior that obstructs the maintenance of effective competition in the relevant market. Certain behaviors that are lawful for companies in a non-dominant position become unlawful when the company is in a dominant position.

Example of dominant position abuse

Price abuse

- Loyalty rebates (multiple criteria are used to define this)
- Predatory pricing (very low prices, allowing the dominant company to drive out current or potential competitors)
- Pricing practices, such as discriminatory pricing, volume discounts
- Business practices aimed at granting or maintaining unjustified advantages

Behavioral abuse

- Defamation
- Refusing to sell products or services

Contact your legal department for all your business negotiations.

GOLDEN RULES IN THE EVENT OF A RAID

There may be cases where the competition authorities carry out unannounced checks, in which case the recommendations below should be followed.

GREETING INVESTIGATORS

- You should immediately inform your company's legal department or CFO (or any other person designated as responsible). They must make themselves immediately available and in turn inform the Group Legal Department, the Group Compliance Officer and the lawyers who will be responsible for assisting you. In such an event, the legal department and/or the CFO may ask the investigators to wait for the arrival of the lawyers to begin the investigation, which they may accept or refuse. Do not notify third parties other than the people mentioned above.



- Take the investigators to an empty meeting room, check their professional identification, review the documents authorizing their investigation, and make a copy of them.



GOLDEN RULES IN THE EVENT OF A RAID

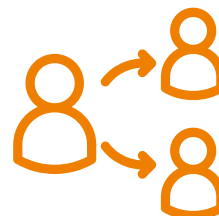
CONDUCT OF THE INVESTIGATION

- Cooperate and remain calm
- Do not hinder the investigation; do not destroy any documents. Any obstruction of the investigation may be severely punished.
- Answer the questions raised by the investigators strictly and in an accurate manner, when you have the answer and hand over the requested documents.
- Take copies of all the documents seized and take note of interviews
- Read the minutes carefully and do not hesitate to express any reservations if necessary.



AFTER THE INVESTIGATORS LEAVE

- Debrief with the entire team involved during the raid and take notes from this debrief.
- Share the minutes and any other document/information you deem relevant with the group compliance officer and the group legal department.





Contact us



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