

COMPETITION LAW POLICY

Roll Group strongly believes that MUTUAL RESPECT, LOYALTY AND INTEGRITY is THE foundation of any relation, whether among employees or with external relations. Only with mutual respect and integrity it's possible to work as a team, to stay loyal to the team and therefore to successfully achieve our goals.

Competition laws are designed to protect competition. They prohibit business conduct which has the intention or has the effect to prevent, restrict or disturb or is detrimental to competition.

Roll-Group stands for fair, honest and competitive business. Roll Group strongly believes that the interest of our company, shareholders, employees and other stakeholders is best served by a free market economy and fair competition. Roll Group does not tolerate any form of violation of the competition laws and every employee is expected to fully comply therewith.

The purpose of this policy is to explain the basic principles of competition laws. Our aim is to make you aware of the basic principles, how these principles affect the business behaviour in making commercial decisions and to recognise situations that might be a violation of the competition laws.

COMPETITION LAWS

With "competition" we mean the effort or action of two or more commercial parties to obtain the same business from a third party.

Although similar in their approach, there is no single global competition law or statute. We have to realise that, wherever we do business in the world, we need to comply with the relevant national competition laws. As an example, the European Union prohibits all agreements or understandings between two or more companies which have as their objective or effect the prevention, restriction or distortion of competition. The United States prohibit contracts, combinations or conspiracies that unreasonably restrain trade.

The form of the agreements is not important. Not only written agreements are deemed to fall within the scope of competition law, but also oral agreements and understandings, "gentlemen's agreements", non-binding agreements and even actions which are taken with an unspoken "common understanding" in mind.

Not relevant is whether there was an intention to breach competition rules. It could be the case if the agreement or concerted practice has the effect of prevention, restriction or distortion of competition.

Competition laws are generally based on the following pillars:

- o anti-competitive agreements and practices;
- o abuse of dominant position or substantial market power; and
- o prevent creation of dominant positions or reduction of competition (acquisitions/joint ventures).

HORIZONTAL AND VERTICAL RELATIONS

Restraints of competition are generally divided into two types: horizontal and vertical restrains.

Horizontal restrains refer to agreements or coordinated practices restricting competition between companies on same level (*competitors*).

Vertical restrains refer to agreements or coordinated practices restricting competition between companies acting on different levels of trade (*distributors, clients, customers, reseller, agents and suppliers that restrict the competition freedom of the partners or third companies*)

Dealing with Competitors (*horizontal relations*)

As indicated above, when an agreement or practice has the objective or effect to prevent, to restrict or to distort competition, it is illegal.

Pricing and Conditions of Supply

Every company is free to determine and change its own prices and conditions, and in doing so, it may take account of the conduct of its competitors. However, it is a violation of competition law to agree or to cooperate in any way with competitors to fix prices.

Examples are:

- determine prices, including increase and decrease;
- fix minimum or maximum prices or price ranges;
- determine output or sales quantities, or decreases or increases in output or sales quantities;
- agree to rebates, discounts and other conditions of supply;
- exchange cost- or price-related information that will be followed by fixing similar pricing;
- engage in any form of “bid rigging” or coordination of a competitive bidding process, this includes agreeing not to bid.

Unfair or Predatory Pricing

Continuously sell a service or product below the own average cost or long run average incremental cost with the goal or effect to eliminate a competitor.

Market Allocation

An agreement between competitors to allocate or share markets or clients is illegal.

Example:

- allocate or share markets in respect to specific territories, products, customers or sources of supply.

Boycotts

The refusal by a group of competitors to deal with one or more customers or suppliers in order to hinder the customer or supplier from conducting business in a market is prohibited.

Examples:

- mutually agree not to supply certain customers or not to purchase from certain suppliers
- agree to make the supply or purchase of goods subject to certain mutually agreed conditions

Joint Ventures

Joint ventures between competitors may produce useful efficiencies but can also affect or restrain competition. Such agreements must be looked at with high attention and legal department must be consulted.

Trade Associations

Joining a trade association where competitors meet is generally allowed. However, any meetings or other activity that involves sharing of information among competitors can raise significant antitrust risks. Do not exchange competitively sensitive information with competitors.

Examples:

- share information about prices, rebates, discounts, conditions of supply, profit margins, cost structures, calculation practice vs distribution practices, territories, customers, products, etc. during meetings of a trade association

DEALING WITH SUPPLIERS/CUSTOMERS (VERTICAL RELATIONS)

Vertical agreements affect business partners that are not acting at the same level of the production or distribution chain, such as distributors, agents, customers, and suppliers.

Refuse to deal

The refusal to supply to a certain company a service or product who meets the same requirements as other companies already being supplied that service or product is illegal. Refusal is allowed to existing or new customers only for a good and properly documented business reason, such as creditworthiness.

Tying and Bundling

If we are in a dominant market position or we operate in a competitively stagnant market, it is not allowed to force a customer (supplier or service provider) to act any differently in purchasing or selling products (services) than the customer would normally do. A customer is exposed to undue influence if it is forced to buy a product or service that it does not want so that it can obtain a product or service that it actually needs.

Example:

- the supply of a dominant service is conditional upon the obligation to buy product X or enter into a service agreement.

Price Discrimination

Pricing could be discriminatory if different prices or other trading conditions are used upon different customers in similar situations, Price or other trading conditions differences are allowed when they are justified on objective grounds, like if additional services are provided.

DOMINANT POSITION/MONOPOLY

A dominant position exists when a company has the power to behave significantly independent of its customers, competitors and suppliers. This is for example the case when other companies have no real alternative but to deal with this company. Having such a position is not prohibited in itself. It is the behaviour of a company in that position that could constitute the violation.

Generally speaking, companies with a market share of over 40 percent in a relevant market may be considered to have market power. However, in certain circumstances, market power may exist where a company has a lower market share. Alternatively, other factors (such as relating to the structure of the market) may mean that a company with a higher market share is not deemed to be dominant.

Abuse of a dominant position is illegal not the position itself. Behaviour may not have the purpose or effect to prevent, to restrict or to distort competition.

INVESTIGATIONS

In many countries the competition authorities have powers to conduct on-the-spot investigations at company premises, sometimes called "dawn raids". Under the competition rules of the European Union, the European Commission is even entitled to carry out searches at the homes of company employees. In certain countries also national competition authorities have this right. Such investigations can be done as a result of complaints from competitors, customers or employees, from the authorities' own economic analysis of the practices in a particular industry, or from a competitor who has admitted to a violation and is seeking amnesty or leniency in return for co-operation.

Officials may arrive unannounced to search and copy digital or hard-copy files and to question company representatives. Companies are required by law to give investigators full access to everything on the premises, including confidential (computer) files and records.

Legally privileged and private (not related to business activities) documents do not have to be submitted to the competition authorities. In the event of a dawn raid or other investigation, officials should be treated courteously but firmly. It should be explained to them that the company has

every intention of co-operating with the investigation. *Immediately* contact the Legal Department in the event of a dawn raid or other form of investigation and await further instructions.

SANCTIONS

In most countries heavy fines (*in the EU for instance up to ten percent of the company worldwide consolidated annual sales*) may be imposed on companies involved in infringing the competition laws. In certain jurisdictions, companies and individuals may also be prosecuted under criminal law (fines/ imprisonment)

Besides large fines and (corporate) criminal charges, violations of competition laws may also give rise to civil lawsuits which may result in substantial damage claims from customers and competitors. In the US, successful plaintiffs may be entitled to receive triple the amount of their damages plus attorney fees and costs.

Violations of competition laws may also result in convictions of the involved employee(s). Individuals can be fined and/or given prison terms for such criminal competition law violations.

Violations of competition laws may also result in the mandatory or discretionary exclusion from public tender procedures or otherwise conducting business with the government.

REPORT

If you have a question or if you are in doubt whether or not a certain (intended) "conduct" is a violation of the competition laws, you must consult the legal department. This does not only apply internally within Roll Group but also apply for "conduct" by others like competitors, clients, subcontractors etc.

Everyone in the Roll Group MUST report any violation of the Competition Laws.

All reporting or notifications received will be dealt with in a professional manner. Any report or notification of a (suspected) breach of this policy can be made through any one of the following channels:

- the direct manager;
- the legal department;
- the Roll Group Board of Directors directly; or
- submit a written report to codeofconduct@roll-group.com (*anonymous reporting and making use of an anonymous email address is allowed*)

We find it very important that employees report and especially that they feel safe to report. Although there is a firm Anti Retaliation Policy within the Roll Group, reporting can be done via multiple channels and even anonymously. Employees are free to use the channel of reporting that they want. The people investigating the reports are or will be properly trained to deal with these issues.