MACLEAN-FOGG

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MacLean-Fogg Company Antitrust and Competition Policy

EFFECTIVE DATE: April 16, 2018 OWNER: Corporate Compliance

POLICY NUMBER: MF-LC4.01-P-20180416-ANTITRUST & COMPETITION

OUR STANDARD:

We are committed to competing fairly and winning business ethically and legally by delivering superior innovative products. We take particular care to ensure our compliance with the antitrust laws that apply to our worldwide operations which prohibit collusion among competitors and market practices that impair the ability of others to compete.

1. PURPOSE

This Policy helps ensure that MacLean-Fogg Company complies with all antitrust and competition laws globally. Compliance with the antitrust laws is a serious business. Antitrust violations may result in heavy fines for corporations and / or individuals as well as imprisonment. While the Company's Chief Compliance Officer and legal counsel provide guidance on antitrust matters, you bear the ultimate responsibility for assuring that your actions and the actions of any of those under your direction comply with the antitrust laws.

2. SCOPE

This Policy applies to all officers, directors, employees, agents and third parties acting on MacLean-Fogg Company's behalf.

3. POLICY

A. Antitrust Laws Generally

The theory of the antitrust laws is that a productive, efficient economy can best be achieved by free and fair competition. The primary focus of the antitrust laws, therefore, is on prohibiting (i) agreements *between or among* competitors to limit competition, and (ii) unfair use of economic power *against* competitors, customers or suppliers. Broadly stated, the following practices (among others) are banned under the antitrust laws:

- **Cartels.** These are agreements among competitors to fix prices, restrict output, allocate markets or rig bids. All cartels are illegal, whether the agreement is written or oral, expressly made or implied.

- **Anticompetitive agreements with competitors.** Other than cartels, collaboration among competitors violates the antitrust laws when it has a harmful effect on competition.

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- **Anticompetitive agreements with customers or suppliers.** Restrictions on the resale of a company's products (such as resale price agreements), exclusive territories, and customer restrictions (such as sales that require the customer to purchase two or more separate products or discrimination in the prices charged to similarly situated customers), can be illegal if they impair competition.

B. Steering Clear of Antitrust Violations

The application of antitrust competition laws is complex, and you should consult with the Chief Compliance Officer early, as you begin considering any of the following arrangements:

- Exclusive sale or purchase arrangements.
- Non-standard relations with or a refusal to deal with a customer or supplier.
- Price discrimination or discrimination in merchandising support.
- Tying or bundling of goods or services.
- Restrictions on the resale of MacLean-Fogg Company products or services — especially price restrictions.
- Membership in, and attending the meetings of, trade associations.
- Joint ventures, collaborations or strategic alliances among competitors.

Additionally, you should contact the Chief Compliance Officer in the following circumstances:

- Before any contact with a competitor, including in advance of trade association events.
- Before any exchange of information with a competitor.
- Whenever you become aware of activity by co-workers or competitors that appears contrary to antitrust or competition laws.
- Whenever you are uncertain as to whether a proposed pricing plan, marketing plan or contract is lawful.
- Whenever you have any other questions concerning compliance with the antitrust or competition laws.

Avoid discussions or interactions with competitors that may create the appearance of improper agreement or interaction. A "contract, combination or conspiracy" in restraint of trade can be proven by evidence of not only formal agreements and conspiracies, but also from circumstantial evidence of casual meetings, informal understandings, and "gentlemen's agreements" that may be unwritten and even unspoken.

What <u>NOT</u> to do with competitors:

- DO NOT agree to adopt the same price list.
- DO NOT discuss prices, price changes or price formulas.

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- Do NOT discuss terms and conditions of business.
- DO NOT discuss marketing programs or allowances.
- DO NOT share or partition markets or customers.
- DO NOT agree to limit output or investment.
- DO NOT discuss or agree about bids/tendering arrangements.
- DO NOT discuss or exchange any proprietary business information (*e.g.*, profit margins, forecasts, capacity utilization, etc.).
- DO NOT discuss or agree on how to deal with other competitors.

What to DO:

- DO discuss with the Chief Compliance Officer in advance any communications you expect to occur with competitors about competitively sensitive topics, and participate in such communications only as instructed by the Chief Compliance Officer.
- DO use an agenda and take accurate minutes at every approved meeting where a competitor is present (*e.g.*, a trade association meeting).
- DO report all unauthorized contacts occurring through unsolicited communications from a competitor immediately to your supervisor and to the Chief Compliance Officer, even if you took no part in the discussions, the discussions ended quickly, and the discussions did not seem significant.
- DO assist the Chief Compliance Officer in preparing a complete and timely written record of the details of all such discussions to ensure that the events are not misinterpreted or misrepresented when memories have faded or all participants are not available.

Meetings and Discussions with Competitors. Any meeting or discussion with a competitor carries the risk that it will be construed later as evidence of an illegal cartel agreement. Therefore, employees must avoid all meetings and discussions with employees or representatives of a competitor unless a legitimate business purpose, unrelated to competition between the companies, is involved. ***All conversations with competitors must be promptly reported to the Chief Compliance Officer.***

Sources of Competitive Information. To compete effectively, we must gather information about our competitors' pricing and their actions in the marketplace. We may not obtain this information directly from competitors, because the exchange of sensitive information can imply an agreement. Rather, we may gather competitive information only from legitimate sources, such as:

- The Business press.

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- The internet.
- Customers.
- Consultants.

When customers or consultants are the source of competitive information, avoid circumstances that could suggest the use of an intermediary to communicate with competitors. In particular, do not consent to any customer or consultant sharing the Company's sensitive information with any competitor.

Employees must avoid using competitive information received from a competitor or an unknown source. This includes documents that arrive in unmarked envelopes and information conveyed by intermediaries who do not disclose their sources. ***Anyone receiving competitive information from a competitor or an unknown source must contact the Chief Compliance Officer immediately.***

Loose Language. Employees should avoid using careless language in e-mails, memoranda, notes, and public statements that might suggest illegal agreement among competitors. The following are some examples of careless word choices that should be avoided:

- "The industry is implementing a price increase." This suggests that firms are acting collectively.
- "The industry lacks discipline." When said to, or in the presence of, a competitor, this suggests an invitation to raise prices or avoid discounting.

Refusals to Deal. Although the Company is free to select its own suppliers and customers, it must do so independently. Employees should avoid the following types of agreements which may be viewed as illegal boycotts:

- An agreement among competitors not to do business with a particular supplier or customer.
- An agreement among certain competitors not to collaborate or do business with other competitors.
- An agreement at the request of two or more customers, or two or more suppliers, not to do business with competitors of the companies making the request.

Trade Associations. The Company participates in various trade associations in which our competitors also participate. While participation in trade associations generally benefits the Company and its employees, antitrust plaintiffs frequently point to these meetings to establish the opportunity to illegally conspire. Therefore, ***discussion must be limited to noncompetitive publicly available information about industry-wide concerns*** such as:

- Coordinating efforts among members on lobbying governmental agencies.

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- Protecting the health and safety of customers and employees.
- Setting product standards that facilitate competition.
- Protecting customers from fraudulent or deceptive practices.

Where possible, trade association agendas or programs should be secured in advance, and any doubtful subjects reviewed by the Chief Compliance Officer and/or legal counsel. All documents (such as minutes or speeches) distributed at or after the meeting should be retained and a copy sent to the Chief Compliance Officer.

Meetings with Dealers / Distributions. Remember that many of the Company's distributors are competitors of one another. The Company may face antitrust liability if it is found to have helped a cartel or anticompetitive agreement among dealers. To avoid this risk, employees must avoid participating in any meeting or discussion among two or more distributors that involves any of the following topics:

- The prices or pricing practices of any dealer.
- The territory or location of any dealer.
- The termination of any dealer.
- The identity or number of newly appointed dealers.

These topics should only be discussed in individual meetings, and the conversation should be limited to matters relating to the particular dealer / distributor.

Price Discrimination. A provision of the antitrust laws prohibits companies from charging different prices to different customers in similar circumstances. The Company's products are to be made available to customers on a fair and equitable basis, without discrimination in price, unless a higher/lower price is justified by a demonstrable cost savings to the Company (and then only to that extent) or unless the price is reasonably believed in good faith to be necessary to meet the price of a competitor. Similarly, there shall be no discrimination or preferential treatment in scheduled pick-up or delivery dates, contract terms, merchandising support, or other inducements for similarly situated customers.

4. CONSEQUENCES

Failure to comply with antitrust and competition laws could lead to significant business disruptions, harm to MacLean-Fogg Company's reputation, and criminal and civil penalties for MacLean-Fogg Company and for you personally. Violations of this Policy will result in discipline, up to and including termination of employment.

If any employee is involved in or witnesses any violations of this Policy, the employee should report it immediately (via MacLean-Fogg Company's Ethics and Compliance Helpline or to the employee's manager). No MacLean-Fogg Company employee who

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uses the Helpline will be punished for making a report in good faith per our Whistleblower Non-Retaliation Policy.