

FINOLEX INDUSTRIES LIMITED

ANTI-TRUST AND FAIR COMPETITION POLICY

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1. Purpose

- 1.1 FIL demonstrates zero tolerance towards “unfair methods of competition” and “unfair or deceptive acts or practices”.
- 1.2 This policy provides guidance to employees across FIL about antitrust and competition laws and conduct business in fair, ethical and transparent manner.
- 1.3 It is important that we act professionally, fairly and with utmost integrity in all our business dealings and relationships; whenever and wherever we operate or engage with competitors, suppliers, distributors or any other members of our supply chain.

2. Governance

- 2.1 Any changes to this policy shall be tracked and documented for future reference and all changes shall be performed only after prior approval of the Company Secretary and Compliance Officer.
- 2.2 Company Secretary and Compliance Officer shall undertake periodic review and update this policy to reflect applicable law(s) and /or latest notifications released by the regulating authorities from time to time.
- 2.3 Company Secretary and Compliance Officer shall monitor the effectiveness and review the implementation of the compliance principles set forth in this policy, regularly considering its suitability, adequacy and effectiveness

3. Applicability

This policy is applicable to all Associates (Associates means on-roll employees of all FIL entities), Board Members, contractors, consultants, trainees, service providers of our Company and our subsidiaries, affiliates, group companies and persons or entities contractually obligated across the globe.

4. Policy Framework

4.1 Dealing with Competitors

- 4.1.1 In today’s marketplace, competitors interact in many ways, through trade associations, professional groups, joint ventures, standard setting organizations, and other industry groups. FIL encourages such dealings, provided they are fair, ethical and transparent in nature.
- 4.1.2 Associates must be aware of antitrust risks in their interactions with competitors and must maintain caution at all the times during their dealings with competitors.
- 4.1.3 We must ensure that no collaboration with competitors should violate Competition Laws.
- 4.1.4 FIL shall not, under any circumstances, engage in Price Fixing¹ with any competitor(s) or supplier(s). FIL will establish prices and other terms on its own, without agreeing with a competitor.
- 4.1.5 Price Fixing does not relate only to prices, but also to other terms that affect prices to consumers, and therefore, FIL shall not disclose any such information to the competitors (unless disclosed by FIL in public domain). This could include any matters, including but not limited to:
 - Present or future prices

¹ Price fixing is an agreement (written, verbal, or inferred from conduct) among competitors that raises, lowers, or stabilizes prices or competitive terms.

- Warranties
- Financing Rates
- Pricing policies
- Promotions
- Bids
- Costs
- Capacity
- Terms and conditions of sales, including credit terms
- Discounts
- Identity of customers
- Allocation of customers or sales areas
- Production quotas
- R&D Plans

- 4.1.6 Competitive information and/or intelligence, must only be collected through legal and ethical means such as published news, press releases, information available in the public domain, etc.
- 4.1.7 If any unauthorized or confidential information is received about a competitor, we must not use this information and notify the Company Secretary and Compliance Officer immediately.
- 4.1.8 No FIL Associate shall interact with persons in other entities to control or restrict production, supply and distribution of FIL products in the market. Furthermore, any research and innovation efforts at FIL must not be influenced by discussions with competitors, that restricts production.

Indicative scenario – A:

Our company monitors competitor's ads, and we sometimes offer to match special discounts or sales incentives for consumers. Is this a problem?

No. This information was obtained through information available in the public domain. Matching competitors' pricing may be good business and occurs often in highly competitive markets. Each company is free to set its own prices, and it may charge the same price as its competitors as long as the decision was not based on any agreement or coordination with a competitor.

- 4.1.9 Associate must never coordinate or collude with competitors by discussing bid amounts for winning contracts. Such prices or bid amount must always be kept confidential.
- 4.1.10 Bid rigging can take many forms, but one frequent form is when competitors agree in advance which firm will win the bid.
- 4.1.11 Associates must never make plain agreements with competitors to divide sales territories or assign customers, as such arrangements are essentially agreements not to compete.
- 4.1.12 Associates must never coordinate or direct competitor to not undertake business with targeted individual or organization as it amounts to an illegal boycott.

4.2 Dealing with Suppliers

- 4.2.1 The Anti-trust laws also affect a variety of relationships – those involving organizations at different levels of the supply chain including but not limited to suppliers, distributors, logistics providers, third parties, business partners etc.

- 4.2.2 FIL encourages arrangements, provided they are undertaken with an intention to reduce cost or promote efficiencies.
- 4.2.3 Associates must not enter any formal or informal agreements, with retailers, distributors or business partners, if the agreement prohibits or appear to prohibit the sale of FIL products to certain sections or types of customers.
- 4.2.4 Associates must refrain from any vertical arrangements with any suppliers if such vertical arrangement reduces competition among organizations at the same level or prevents new organizations from entering the market.
- 4.2.5 Anti-trust issues may also arise if FIL imposes price or non-price restraints up or down the supply chain i.e. in dealings with suppliers or dealers which could be in violation of anti-trust laws.
- 4.2.6 FIL has a right to choose its business partners. As permitted by applicable laws, FIL shall be entitled to enter into exclusive contracts with its Business Partners. However, FIL Associates must refrain from any anti-competitive arrangements or agreement.

5. Exceptions

All exceptions to this policy must be approved by the Company Secretary and Compliance Officer.

6. Breach of Policy Principles

Any violation of the principles set forth in this policy by any Employee may have significant consequences for the Employee and the FIL Entities, including potential prosecution, fines and other penalties for improper conduct, as well as imprisonment and/or disciplinary action up to and including termination

If anyone observes any kind of activities that might be a breach to this Policy, the concerned person can be reached out on aw@finolexind.com
