

Compliance Management System

BILSTEIN GROUP



Compliance Management System

BILSTEIN GROUP

Contents	4
Code of Conduct	9
Anti-Corruption Policy	23
Anti-Corruption Policy Annexes	43
Antitrust Guide	51

Code of Conduct

Preface	10
I. Integrity and rules of conduct	12
II. Social responsibility and sustainability	12
1. HUMAN RIGHTS	12
2. ENVIRONMENT AND CLIMATE PROTECTION	12
3. RESPONSIBLE SUPPLY CHAIN MANAGEMENT	13
III. Corporate culture	14
IV. Employee rights	15
1. PROHIBITION OF DISCRIMINATION	15
2. REJECTION OF CHILD AND FORCED LABOR	15
3. FAIR WAGES AND WORKING CONDITIONS / FREEDOM OF ASSOCIATION	15
V. Occupational safety and health	16
VI. Secondary employment	16
VII. Conflicts of interest	16
VIII. Combating corruption and money laundering	17
1. OFFERING AND GRANTING BENEFITS	17
2. MONEY LAUNDERING	17
IX. Handling of donations	17
X. Fair competition	18
XI. Handling of (confidential) information	18
1. DATA PROTECTION, INFORMATION SECURITY	18
2. CONFIDENTIALITY	18
3. HANDLING PATENTS AND OTHER INDUSTRIAL PROPERTY RIGHTS OF PROTECTION	19
4. INDEPENDENT AND RESPONSIBLE REPORTING	19
XII. International trade	19
XIII. Transparent financial reporting	20

XIV. Protection of company property	20
XV. Whistleblower system	20
XVI. Liability	21

Anti-Corruption Policy

Introduction	24
I. Benefits	26
1. DEFINITION	26
2. SPECIAL SITUATIONS IN WHICH CORRUPT BEHAVIOR IS IMAGINABLE	26
II. Benefit categories	27
1. BENEFITS ALWAYS PROHIBITED	28
2. BENEFITS ALWAYS ALLOWED	30
3. BENEFITS PERMITTED WITHIN CERTAIN LIMITS	32
4. BENEFITS THAT REQUIRE PRIOR CONSENT	32
5. INDEPENDENT EXAMINATION	33
6. PRIVATE PURCHASE OF SERVICES	36
III. Documentation and obligation to provide proof	36
IV. Conduct in the event of prohibited benefits	37
V. Special features and scope of application of U.S. criminal law on corruption (descriptive)	38
VI. The BILSTEIN GROUP sanctions	39
VII. Liability	39
VIII. Traffic light matrix	40
IX. External contact persons and contact details	41

Anti-Corruption Policy | Annexes

1 – Letter of rejection	44
2 – Benefits table	45
3 – BILSTEIN GROUP traffic light matrix	46

Antitrust Guide

Management statement	52
A. Unlawful conduct under antitrust law	54
I. CARTEL PROHIBITION	54
1. Forms of conduct in violation of antitrust law	55
a) Agreement	55
b) Coordinated activities	55
c) However: Parallel activities are permissible	55
d) Unilateral disclosure of information	56
2. Horizontal restrictions of competition	57
a) Hardcore agreements between competitors	57
b) Exchange of competition-sensitive information	59
c) Special risks at association meetings	60
d) Cooperation with competitors in purchasing, sales, production and R&D	62
e) Cooperation and sustainability	64
3. Vertical restraints of competition	66
a) Vertical agreements	66
b) Territorial or customer restrictions	66
c) Exclusive purchase and non-competition clauses	67
II. UNILATERAL VIOLATIONS OF ANTITRUST LAW: ABUSE OF MARKET POWER AND PROHIBITION OF BOYCOTTS	68
1. Prohibition of abuse	68
2. Prohibition of boycotts	69

B.	Sanctions and consequences	69
I.	FINES	69
II.	IMPRISONMENT OR FINE	70
III.	INVALIDITY OF CONTRACTS AND DAMAGES	71
1.	Invalidity of contracts	71
2.	Damages	71
IV.	CONSEQUENCES UNDER LABOR LAW	72
V.	OTHER CONSEQUENCES	72
C.	General instructions for conduct	72
I.	CONDUCT IN THE EVENT OF INADMISSIBLE FORMULATIONS	72
II.	CONDUCT IN THE EVENT OF UNCERTAINTY	73
III.	ATTEMPTED COORDINATION	73
IV.	STORAGE OF DOCUMENTS	73
D.	External contact persons and contact details	75

Compliance Management System BILSTEIN GROUP

Code of Conduct

Preface

As one of the world's leading cold-rolled strip manufacturers with production sites in several countries, the BILSTEIN GROUP¹ is aware of its responsibility to comply with applicable international regulations and standards and therefore attaches the utmost importance to sound business ethics principles in its corporate policy.

Founded in 1911, the BILSTEIN GROUP has continuously evolved and has excellent technical and commercial resources at its disposal. On this basis, the companies of the Group supply their customers from various industries on all continents. This is why the companies of the BILSTEIN GROUP have adopted this Code of Conduct, which applies worldwide and is binding for all companies. The companies of the BILSTEIN GROUP act in accordance with these principles and expect the same behavior from their suppliers and partners.

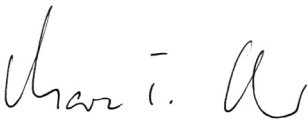
Our goal is to strengthen respect for human rights and environmental protection and to prevent, minimize and, if necessary, correct violations. We recognize our corporate responsibility to respect human rights and are committed to respecting these rights not only in our own business practices, but also in our global supply and value chains. We are committed to ensuring that those affected by human rights violations have access to the necessary recourse.

In addition, our understanding and our human rights due diligence processes are based, among other things, on the following internationally recognized guiding principles for business and human rights, to which we are fully committed: United Nations (UN) Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights (UNGP), conventions and recommendations of the International Labor Organization (ILO) on labor and social standards, the derived principles of the UN Global Compact of the United Nations (UNGP) or the UN Convention on the Rights of the Child.

Building on these principles, the BILSTEIN GROUP has established a Code of Conduct that applies worldwide and combines the values that are important to us in one code.

This Code of Conduct serves as a guide for the shareholders, advisory board, management, executives and employees of the BILSTEIN GROUP companies in their dealings with one another and with our global partners. The companies of the BILSTEIN GROUP act in accordance with these principles and expect the same conduct from their suppliers and other partners.

Let us work together to ensure the success of the BILSTEIN GROUP companies and act responsibly.



Marc T. Oehler
Shareholder and Chairman of the Management Board
of the BILSTEIN GROUP

¹"BILSTEIN GROUP" is used in this Code of Conduct as a generic term for all current and future BILSTEIN GROUP companies worldwide. These currently include the companies BILSTEIN GmbH & Co. KG, HUGO VOGELSANG GmbH & Co. KG, BILSTEIN SERVICE GmbH, BILSTEIN CEE a.s., BILSTEIN COLD ROLLED STEEL LP, BILSTEIN STEEL FIBER GmbH, BILCUT GmbH, SHEARLINE STEEL STRIP Ltd., BILSTEIN TRADING (SHANGHAI) Co., Ltd. and BILSTEIN SPECIALTY STEEL MEXICO, S. de R.L. de C.V.

I. Integrity and rules of conduct

We are aware of our responsibility towards our customers, employees, shareholders and the environment and regard this as a central pillar for the actions of all employees of the BILSTEIN GROUP companies.

Our actions are always in accordance with the applicable law, our internal guideline and specifications as well as other regulations that apply to us, such as company agreements or certifications (see also our website at www.bilstein-gruppe.de/en/downloads). The principles set out in this Code of Conduct represent minimum standards that apply to all our employees and ensure responsible conduct within the company and towards business partners and the public.

Every employee of the BILSTEIN GROUP companies should contribute to ensuring that the company fulfills the responsibility described above and that the positive expectations that customers and the public have of our company are met. To this end, we expect every manager and every employee to feel personally responsible for compliance with the Code of Conduct.

II. Social responsibility and sustainability

1. HUMAN RIGHTS

We respect and uphold human dignity. In accordance with the principles of the United Nations Global Compact, we recognize national and international human rights and are committed to protecting them within our sphere of influence. We also support the efforts of the International Labor Organization (ILO) to promote social justice and labor rights, including the fight against human trafficking, child and forced labor. For us, preventing harm to people's natural livelihoods (e.g., through noise, pollution, forced eviction or unlawful deprivation of land, forests or water) is also an essential part of safeguarding human rights.

2. ENVIRONMENT AND CLIMATE PROTECTION

We, the companies of the BILSTEIN GROUP, are aware of our impact on the environment and our ecological responsibility. We are therefore committed to act responsibly towards the environment and to protect our natural resources and biodiversity. We comply with the relevant policies and national and international environmental obligations and adhere in particular to the relevant environmental and energy

management standards (in accordance with our certifications, see also www.bilstein-gruppe.de/en/downloads).

Together with our customers and suppliers, we work continuously to optimize our own production processes and technologies as well as the procurement of primary materials. Our primary goal is to sustainably reduce the CO₂ footprint of our cold-rolled products and thus play our part in protecting the climate. With this in mind, we have set clear and ambitious goals for our German companies, which we have set out in our annual sustainability report.

Every employee of the BILSTEIN GROUP bears responsibility for using natural resources appropriately and sparingly and reducing their own energy consumption in order to contribute to the protection of the environment and climate through their individual conduct.

We also stand for the proper handling of substances that are critical to health or the environment. We are committed to complying with all applicable regulations regarding banned or hazardous substances and materials. We also ensure compliance with legal requirements for the generation, storage, disposal and recycling of waste, emissions and effluents.

3. RESPONSIBLE SUPPLY CHAIN MANAGEMENT

We are committed to fulfilling our human rights and environmental due diligence obligations not only in our own operations, but also along our supply chain.

We are aware that our operational activities and our global supply and value chains involve risks that could potentially lead to human rights violations. In line with our commitment to respect all internationally recognized human rights, we pay particular attention to specific human rights issues that we have identified as material to our business through our risk analysis.

We therefore regard the careful selection and monitoring of suppliers as a necessary basis for guaranteeing a high standard of quality and fulfilling our responsibility towards our business partners, the environment and society as well as our own employees.

We rely on systematic supply chain management to address the risks associated with people and the environment in the supply chain. This includes close

cooperation with suppliers, production facilities and raw material producers. We follow a three-stage approach, which includes the formulation of requirements, monitoring and the development of stakeholders. We already take human rights and environmental risks into account when selecting suppliers by attaching importance to purchasing certified products.

We expect our suppliers to uphold the same ethical, social and environmental values as the companies of the BILSTEIN GROUP. Our Code of Conduct for Suppliers and Business Partners, which expresses our convictions and values with regard to responsible and sustainable management of the supply chain and whose compliance we ensure through continuous monitoring, forms the basis for trust-based collaboration.

We also support and encourage our suppliers to pass on our values and sustainability requirements to their own suppliers in order to ensure compliance along the entire supply chain.

III. Corporate culture

We cultivate a modern and exemplary management culture in which we create a respectful and safe working environment. The managers of the companies in the BILSTEIN GROUP set a good example and, within the scope of their responsibilities, take preventive action against unacceptable conduct of any kind and exemplify the jointly defined values and guideline.

We also expect our employees to deal with colleagues and third parties in a friendly, objective and fair manner.

IV. Employee rights

1. PROHIBITION OF DISCRIMINATION

We cultivate tolerance, fairness and equal opportunities in our working environment, regardless of social and ethnic origin, skin color, nationality, any disabilities, health status, sexual orientation, political and religious beliefs, trade union activity, gender and age. Qualifications and skills are the only basis on which we recruit and promote our employees.

2. REJECTION OF CHILD AND FORCED LABOR

In accordance with the conventions of the International Labour Organization (ILO), we reject all forms of child labor and the exploitation of children and young people and observe the respective legal minimum age for eligibility for employment.

Furthermore, we do not tolerate any form of forced and compulsory labor, modern slavery and human trafficking or other unethical recruitment. This also means that no employee may be forced to work through violence and/or intimidation and no fees may be charged for employment. In addition, we will never withhold documents, IDs or salaries.

We attach great importance to ensuring that these principles of conduct are also adhered to by any “temporary employment agencies” that may be used.

3. FAIR WAGES AND WORKING CONDITIONS / FREEDOM OF ASSOCIATION

We recognize the statutory minimum standards and the regulations on remuneration stipulated by the International Labour Organization (ILO) and in no case fall below the legally guaranteed minimum wage with regard to our services and remuneration. We expect the same from our business partners. Equivalent work performance is also remunerated equally within the companies of the BILSTEIN GROUP.

In addition, we comply with the legal provisions on working hours as well as respect and promote the right of our employees to join or participate in trade unions and to form employee representative bodies.

V. Occupational safety and health

We ensure the health and safety of employees, visitors and employees of external companies in the workplace within the framework of the applicable national legal provisions, in particular through the occupational safety systems implemented at all BILSTEIN GROUP locations. All employees must comply with the occupational health and safety regulations. Wherever necessary and appropriate, our employees are provided with suitable personal protective equipment.

Violations of occupational health and safety regulations must be reported immediately. Extensive and regular occupational safety training courses are held, which every employee must attend.

VI. Secondary employment

Our employees make their workforce available to the companies of the BILSTEIN GROUP. Secondary employment must not conflict with the interests of the BILSTEIN GROUP and is therefore only permitted with the prior written consent of the company.

We always support and encourage the voluntary work of our employees.

VII. Conflicts of interest

In the course of their work, our employees must avoid situations that could give rise to a conflict of interest between their work related activities and their private interests. They always act conscientiously and to the best of their ability in the interests of the BILSTEIN GROUP.

Employees of BILSTEIN GROUP companies may not directly or indirectly be affiliated with business partners or competitors of the BILSTEIN GROUP without the prior consent of the company. This applies in particular if the participation enables entrepreneurial influence. Any employment contract provisions in this context remain unaffected by this.

VIII. Combating corruption and money laundering

1. OFFERING AND GRANTING BENEFITS

We reject any kind of corrupt behavior on the part of both our employees and our business partners and rely exclusively on our performance and product quality. We undertake not to accept or grant gifts or benefits in order to gain an unlawful advantage. Our business relationships are based solely on factual and economic criteria.

No employee may exploit business relationships within the BILSTEIN GROUP for personal or third-party gain to the detriment of the company. There is no unfair influence on customers, suppliers or members of the public sector.

A codification of the measures taken by the BILSTEIN GROUP to combat corruption as well as specific assistance and recommendations for action for our employees are set out in the BILSTEIN GROUP anti-corruption policy as an important part of our compliance management system.

2. MONEY LAUNDERING

We maintain and promote fair and effective economic and financial transactions and take all necessary measures against illegal payments and funds of suspicious origin (money laundering).

IX. Handling of donations

We support and encourage social and cultural projects. Donations are not made in order to obtain economic benefits. They are subject to the corporate transparency requirement and must be documented, stating the addressee and purpose of use, and granted by the management exclusively in accordance with the applicable legal system and guideline.

The BILSTEIN GROUP does not make donations or provide sponsorship to political parties, individual elected officials or candidates for political office.

X. Fair competition

Fair competition has a special significance in the context of the free development of every market participant. We are committed to fair and open competition and fair dealings with business partners and third parties and to complying with the applicable competition and antitrust laws. Corresponding obligations are defined as an important part of our compliance management system in our antitrust guide.

XI. Handling of (confidential) information

1. DATA PROTECTION, INFORMATION SECURITY

We respect personal customer, employee and supplier data as well as confidential and secret company data and protect it from unauthorized access, misuse, loss or premature destruction with all suitable and appropriate technical and organizational means available to us. Protecting personal data and ensuring information security is our top priority. We have set up an information security management system for this purpose, which includes numerous training and awareness-raising measures and which all employees are obliged to comply with.

The collection, processing and use of personal data is only carried out to the extent permitted by law, only to the extent absolutely necessary and exclusively for the intended purposes. In addition, we undertake to implement all necessary measures to ensure the confidentiality, integrity and availability of information and to comply with legal and other requirements.

2. CONFIDENTIALITY

The protection of confidential information, know-how and business and trade secrets is also of the utmost importance to us in the context of our cooperation with suppliers, customers and other business partners.

Confidential in this context are business and trade secrets, know-how and all matters, processes and information that are designated as confidential by the BILSTEIN GROUP or that the BILSTEIN GROUP is obliged to keep confidential.

The BILSTEIN GROUP or its business partners and customers have a legitimate interest in doing so.

Irrespective of whether the information has become known in the private or professional sphere, every employee is obliged to treat the information, know-how and business and trade secrets of which they become aware as confidential at all times. In particular, employees who have access to particularly confidential information must strictly observe confidentiality.

Further details in connection with confidentiality obligations can be found in the individual employment contracts and the BILSTEIN GROUP's information security management system.

3. HANDLING PATENTS AND OTHER INDUSTRIAL PROPERTY RIGHTS OF PROTECTION

The protection of our know-how is essential for the success of the BILSTEIN GROUP. We carefully protect our intellectual property and other proprietary information and actively work to prevent counterfeiting. Likewise, we respect and protect effective third-party property rights.

4. INDEPENDENT AND RESPONSIBLE REPORTING

The BILSTEIN GROUP respects the right to freedom of expression and the protection of personal rights and privacy.

Every employee must ensure that private statements are not related to their respective function/activity in the company or are recognizable as private statements. Official statements are only permitted with the prior approval of the management and in consultation with the manager. Corresponding inquiries from third parties regarding any statements must be forwarded to the management.

XII. International trade

As an internationally active company, the BILSTEIN GROUP also complies with all relevant national and international regulations and agreements on the control of international trade in goods and conducts annual employee training courses in this regard.

We have technical systems in place to ensure compliance with legal requirements for imports and exports on a permanent and daily basis. In particular, we carry out regular sanctions list checks by means of "overnight" checks.

XIII. Transparent financial reporting

Financial reporting is carried out in accordance with national and international accounting standards and reflects the actual circumstances of the BILSTEIN GROUP's net assets, financial position and results of operations.

XIV. Protection of company property

The company property of the BILSTEIN GROUP must be respected and treated with care by every employee.

Company property is to be used exclusively for business purposes and within the scope of business activities, unless permission has been granted for private use.

XV. Whistleblower system

The BILSTEIN GROUP provides internal and external whistleblowers with various reporting channels to gain knowledge of any compliance violations.

We take all information seriously and guarantee – to the extent permitted by law – confidential processing. Discrimination against persons who report a violation or express a suspicion will not be tolerated.

Employees of the BILSTEIN GROUP as well as our business partners and other third parties have the opportunity to report compliance violations via the following communication channels – anonymously if desired:

- **to the executives of the BILSTEIN GROUP,**
- **to the Compliance Officer of the BILSTEIN GROUP,**
(email address: compliance@bilstein-kaltband.de, T +49 2334 82-1100),
- **via our electronic whistleblowing system, which can be found on our homepage at <https://www.bilstein-gruppe.de/en/corporate-governance> and at <https://www.bilstein-gruppe.de/en/group-contact>**

XVI. Liability

As an internal set of rules, this Code of Conduct is binding for every employee and manager of the BILSTEIN GROUP and compliance is mandatory.

We ensure that the Code of Conduct is implemented and made public. This Code of Conduct is handed out to every employee and is available electronically at all times. In addition, the content of this Code of Conduct was/is explained in detail in employee training sessions. It is the duty of our managers to ensure that each of their employees is aware of this.

Violations of the Code of Conduct will – without prejudice to possible legal consequences – result in internal disciplinary measures that are adapted to the extent and severity of the violation and take into account the specifics of the situation. A violation may result in the termination of the employment relationship.

The Code of Conduct is a binding and fundamental component of the BILSTEIN GROUP's global compliance management system. It serves as a guideline for the lawful conduct of every employee of the BILSTEIN GROUP. It also forms the basis for further internal guidelines, which are being developed and are to be further specified as part of the ongoing updating of the compliance management system. The supplementary guidelines must therefore be viewed in conjunction with this Code of Conduct and must also be observed by all employees.

As the Code of Conduct is to apply at all national and international locations of the BILSTEIN GROUP, some requirements have been modified or adapted to the applicable law. For this purpose, national supplements have been drawn up which take into account the special features of the respective country.

Compliance Management System
BILSTEIN GROUP

Anti-Corruption Policy

Introduction

The BILSTEIN GROUP¹ stands for fair business and sustainable economic activity. The companies of the BILSTEIN GROUP respect the legal provisions as well as free and fair competition.

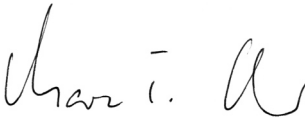
To this end, we also take consistent measures in your interest as an employee and for your protection as well as in the interest and for the protection of our business partners. We have set up a compliance management system for this purpose, which includes a Code of Conduct and other guidelines and notes.

This policy on the prevention of corruption, together with the attached traffic light matrix, is intended to supplement the existing regulations and principles to which the companies of the BILSTEIN GROUP are committed in this regard, particularly with regard to combating corruption and respecting fair competition. In the BILSTEIN GROUP, we do not tolerate any form of corrupt conduct, but are actively committed to combating it.

This is particularly true in light of the fact that corruption not only violates the applicable competition rules, but also favors decisions that are neither in the public interest nor objectively oriented. Decisions based on corruption can therefore cause lasting damage to the economy as a whole as well as to each individual company.

In addition, corruption, bribery and corruptibility are punishable by law in Germany. It is therefore important to us in the BILSTEIN GROUP to exclude or minimize the risks of such violations of the law to the best of our ability.

All employees are expressly required to comply with this policy and regulations. This policy is intended to help you and at the same time provide mandatory requirements for handling benefits.



Marc T. Oehler
Shareholder and Chairman of the Management Board
of the BILSTEIN GROUP

¹"BILSTEIN GROUP" is used in this Anti-Corruption Policy as a generic term for all current and future companies of the BILSTEIN GROUP worldwide. These currently include, among others, BILSTEIN GmbH & Co. KG, HUGO VOGELSANG GmbH & Co. KG, BILSTEIN SERVICE GmbH, BILSTEIN CEE a.s., BILSTEIN COLD ROLLED STEEL LP, BILSTEIN STEEL FIBER GmbH, BILCUT GmbH, SHEARLINE STEEL STRIP Ltd., BILSTEIN TRADING (SHANGHAI) Co., Ltd., and BILSTEIN SPECIALTY STEEL MEXICO S. de R.L. de C.V.

I. Benefits

1. DEFINITION

A benefit within the meaning of this guide is

- any perk or advantage
- which objectively places the recipient in a better position in material or immaterial economic, legal or personal terms
- and to which the recipient has no legal claim.

Both the donation of benefits, i.e. benefits that you offer, hand over or grant to your business partner (so-called active benefits), and the acceptance of benefits, i.e. a benefit that you are offered or receive from your business partner (so-called passive benefits), are covered by this policy.

2. SPECIAL SITUATIONS IN WHICH CORRUPT BEHAVIOR IS IMAGINABLE

Benefits can be granted both directly and indirectly. In particular, this includes "nepotism," where the benefit or advantage goes to one of your family members, an acquaintance or another close person.

In the case of business transactions, particularly abroad or with a foreign connection, external consultants and intermediaries may be used by BILSTEIN GROUP companies as intermediaries in negotiations or the conclusion of contracts due to their local knowledge. These individuals must also comply with the applicable legal regulations. As the client, you must also ensure that the commissioned third party complies with the regulations and obligations set out in this anti-corruption policy.

In addition to German law, the relevant foreign regulations and legal norms must be observed for transactions with a foreign connection (e.g., the U.S. **Foreign Corrupt Practices Act (FCPA)**, the German Law on Combating International Bribery, and the **U.K. Bribery Act**), and any foreign particularities must also be observed.

The FCPA is a US law for the international fight against corruption, the scope of which does not end at the U.S. borders, but can also extend to companies based outside the U.S. Under the FCPA, bribery of foreign public officials (including outside the U.S.) is prohibited, although the definition of the term “public official” under the FCPA differs from the German definition and extends it (see Section V for more details).

The UK Bribery Act also applies not only to companies based in the United Kingdom, but is already relevant for foreign companies if they conduct business there in any way (extensive customer relationships in the UK are sufficient, for example). The act of bribery itself does not have to be related to these business activities; rather, any foreign act committed by a person working for the company in the course of its business activities can be prosecuted under the UK Bribery Act. It should be emphasized that the UK Bribery Act not only criminalizes the (active) bribery of foreign public officials (also outside the UK), but also extends its scope of application to the bribery of decision-makers in the private sector.

It is therefore important for the companies of the BILSTEIN GROUP to sensitize you as an employee to the fact that the regulations of the FCPA and the UK Bribery Act must always be observed. If you have any questions or uncertainties in this regard, please do not hesitate to contact our Compliance Officer. Please use the email address: **compliance@bilstein-kaltband.de** or contact us by phone. The contact details can be found in the contact sheet “Compliance Officer/Contact Person” which is stored in the MS Sharepoint/Intranet and is also issued by the HR department, the Works Council or the management secretariats.

II. Benefit categories

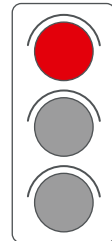
In order to provide you with tangible guidelines, the BILSTEIN GROUP has made a clear distinction between permissible and impermissible benefits and those that may only be granted or accepted under certain conditions, taking into account the relevant legal requirements for Germany. Nevertheless, despite this categorization, the responsibility for dealing with your business partners, which may include the acceptance and granting of such benefits, always remains with you as an employee of the BILSTEIN GROUP.

This anti-corruption policy enables you to use the requirements and regulations to independently assess whether and to what extent the benefit that you have been offered, received or wish to grant is in accordance with the BILSTEIN GROUP's anti-corruption policy or whether it is only permissible subject to approval by the Compliance Officer in accordance with these regulations.

As expected, the following description cannot cover every individual case and is therefore merely an aid for examining the grant. If in doubt, you can and should contact the BILSTEIN GROUP Compliance Officer at any time. You can also address all other compliance-related questions to them in confidence. In principle, the following categorization applies to the classification of the admissibility of benefits:

1. BENEFITS ALWAYS PROHIBITED

The benefits listed below may neither be granted nor accepted and are therefore always to be regarded as prohibited benefits.



- a) Under no circumstances may benefits be offered, **accepted or handed over as consideration for business** or official actions that lead to an unfair advantage for the grantor or a third party in the purchase or sale of goods or commercial services. This means that, regardless of the amount and type of benefit, no benefits may be granted or accepted with the expectation that the recipient will conclude certain transactions. This also applies to benefits in return for an action in the context of the purchase of goods or services if the beneficiary violates his obligations to his employer due to the benefit without his prior consent.

It should also be taken into account that in individual cases, even offering and demanding a benefit without actually giving it may be punishable by law.

- b) **Cash benefits** of any kind – cash or non-cash – are not permitted.
- c) Benefits to **officials and elected officials** are also always prohibited. These are persons who, under German law, are in an official position under public law or are otherwise appointed to perform public administration tasks at an authority or other body or on its behalf, irrespective of the organizational form chosen to perform the task. This means that not only civil servants who, for example, have to decide on building permits or public tenders (especially in procurement procedures), but also, for example, employees of municipal utilities, such as municipal

and waterworks, are subject to this ban. Note that even in the case of official corruption, the beneficiary may be a third party.

This prohibition also applies to benefits to employees of foreign states or international organizations, persons who are commissioned to perform public duties for foreign states, as well as foreign judges and soldiers.

With regard to the BILSTEIN COLD ROLLED STEEL LP based in the U.S., please note the following additional information:

If U.S. law (in particular the FCPA) applies, there are some special features and stricter requirements in connection with public officials and elected officials that you as an employee of the BILSTEIN GROUP must also observe. Under U.S. law, all persons, regardless of function or rank, who work for or on behalf of any government, department, agency or other public body are public officials. It also includes (partially) state-owned companies, international organizations, political parties and their officials as well as candidates for public office. As an employee of the BILSTEIN GROUP companies, you are required to apply the broad U.S. definition of ("**foreign official**") in all your activities worldwide.

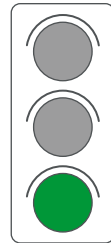
- d) **Travel and accommodation costs** incurred in the context of business trips should always be borne by the company of the respective traveller. So if you undertake a business trip for the BILSTEIN GROUP, this means that the BILSTEIN GROUP will generally cover the costs. Exceptions apply if it is a (low-value) courtesy, such as a local (cab) ride to/from the train station or airport, and the traveler cannot refuse this offer for practical reasons, e.g., for a trip with a common destination.
- e) The decision on **donations and sponsorship** is reserved exclusively for the management.
- f) Benefits, in particular gifts and advantages – even if they are granted to third parties (so-called third-party advantages) – that are **not in accordance with the normal social order of life** and **do not correspond to business practice**, are prohibited. Under no circumstances should an outsider be given the impression that the benefit is intended to influence a business decision. This applies in particular to expensive benefits, such as VIP tickets to cultural events.
- g) In connection with the **commissioning of external consultants**, particular care must be taken to ensure that the consultancy contracts are drawn up in writing and contain a detailed description of the services. Furthermore, the remunera-

tion/commission must always be reasonable and customary. So-called “**kick-back**” payments are prohibited (an excessive commission is initially paid to the consultant, which is then partially repaid to the commissioning employee).

- h) Payments to **accelerate state services** (so-called “facilitation payments”) are **always prohibited**, even if such payments of small amounts to public officials, employees of foreign states or international organizations, persons who are authorized to perform public duties for foreign states, as well as foreign judges or soldiers to accelerate the procedure may be socially customary. This prohibition does not apply if there is an official catalogue of fees that provides for an “accelerated procedure” at an official surcharge. In case of doubt, please contact the Compliance Officer of the BILSTEIN GROUP.

2. BENEFITS ALWAYS ALLOWED

- a) Participation in purely **professional events** to which your business partner invites you and the costs of which are borne by your business partner is always permitted, provided that these professional events do not have a leisure character and the events, in consultation with your supervisor, represent a useful addition to your work at the BILSTEIN GROUP.



You may also invite your business partner(s) to a purely professional event organized by the BILSTEIN GROUP if the professional aspect is far more important – in consultation with your supervisor.

Please note, however, that even if the costs of such an event are covered – as described above under II. 1. d) – the fact remains that travel and accommodation costs must always be borne by the traveler themselves or their company.

If the BILSTEIN GROUP wishes to organize events itself (e.g., trade fairs), the management is responsible for the organization and the specific design of the event.

- b) The usual **hospitality** during conferences, meetings and events by the BILSTEIN GROUP or on site with business partners or at the venue is generally permitted. This includes both drinks and typical snacks. A (lunch) meal taken during the event or a meeting is also permitted in principle. The prerequisite for this is that the entertainment character of this form of hospitality is not the primary focus and that the type of hospitality is proportionate to the event and the group of participants. Please note that customary hospitality is also inadmissible with regard to public officials.

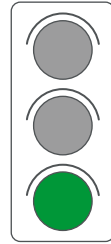
- c) **Invitations to business dinners** may be accepted and issued in principle, insofar as they are in accordance with the principle of social adequacy (i.e. appropriateness and customary hospitality) (see the explanations in II. 5.). The appropriateness and customary nature of the hospitality is determined, among other things, by the function of the employee and the occasion and setting of the meal (duration, location, suitability for influencing business decisions, composition of the group of participants, etc.). Please note that customary hospitality is also inadmissible with regard to public officials.

- d) **Low-value corporate gifts and small courtesies**, e.g., mass-produced promotional items such as pens, calendars or writing pads with company logo as well as chocolate, are within the scope of social and business custom and are therefore permissible.

Please note, however, that it is ultimately your responsibility and conscientious approach with regard to the classification of such benefits. You can use the guide values listed under II. 3. for orientation.

3. BENEFITS PERMITTED WITHIN CERTAIN LIMITS

A benefit that is not always prohibited under II. 1. may also be permitted without the consent of the Compliance Officer if it is appropriate and socially acceptable. The BILSTEIN GROUP has defined a tangible guideline for you, taking into account then legal requirements. According to this, benefits are also permitted if they meet the following requirements:

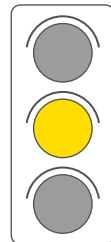


- **The benefit is not generally prohibited under the above regulations**
- **if the value of the benefit **does not exceed EUR 35.00**,**
- **a benefit of this kind is only made **once** per calendar year and per business partner (this applies separately to active and passive benefits) and**
- **the benefit is appropriate and socially adequate.**

Specifically, this means the following, for example: You may grant a business partner a benefit with a value of up to EUR 35.00 for a calendar year and at the same time receive a benefit with a value of up to EUR 35.00 from this business partner. Please note that these limits also apply to the respective business partner (company) and are not applied per employee of the business partner. If, for example, there are two contact persons for a supplier, you must take this into account.

4. BENEFITS THAT REQUIRE PRIOR CONSENT

If a benefit is not already permitted under the requirements set out in II. 2. and II. 3. above, a benefit may also be permissible if you have received approval from the BILSTEIN GROUP Compliance Officer in accordance with the process set out below before granting or accepting this benefit.



In accordance with the above principles, this approval requirement always applies to benefits with an equivalent value of more than EUR 35.00 and/ or which are to be granted or accepted more than once per business partner and calendar year.

In these cases, please proceed as follows:

First, inform the Compliance Officer of the intended donation by email at: **compliance@bilstein-kaltband.de**. You should state the reason for the benefit, the value of the benefit and the business partner. The Compliance Officer will decide on the basis of the information you provide whether this benefit is permissible. If the Compliance Officer declares this benefit to be permissible, he will also send you his consent by email. However, if they are declared inadmissible, they will provide you with a reason for this decision in addition to the classification.

You may only actually grant or accept a benefit requiring approval once you have received the approval of the Compliance Officer. If no consent is given, you may not grant active benefits or accept passive benefits. In the latter case, politely refuse the benefit from the business partner with reference to this anti-corruption policy.

To assist you, we have provided you with a recommendation and suggested wording for the rejection of benefits from business partners in **Annex 1** of this anti-corruption policy.

If you have any doubts as to whether a benefit is permitted under this anti-corruption policy, please contact the Compliance Officer at any time by email or telephone.

5. INDEPENDENT EXAMINATION

Irrespective of the question of whether the benefits (active and passive) are to be classified as permissible under the above criteria, you are always obliged to carry out your own review of admissibility. Specifically, you must use the following criteria to check whether the benefit is appropriate and socially adequate. If the benefit is not appropriate and socially adequate, it is a prohibited benefit within the meaning of this policy, regardless of the categorization.

All circumstances in connection with the benefit are relevant for the **adequacy test**. This review must be based in particular on the following criteria:

(i) Objective of the benefit

The first criterion is the objective of the benefit. The question must be asked whether and – if so – what objective reasons there are for the specific benefit to/from the

employee/agent of a business partner. An exclusion criterion is the **appearance that the benefit is made in connection with a specific future business decision**. There must therefore be no connection with future business decisions; the benefit must be made transparent and documented both internally and externally.

(ii) Business relationship of the benefit

The second criterion is the business relationship of the benefit. If there is no or only a very slight connection between the benefit and the business activities of the BILSTEIN GROUP – e.g., due to the exclusive **“fun nature”** – this speaks against the appropriateness and social appropriateness of the benefit.

(iii) Type of benefit

The third criterion is the type of benefit. While simple **“giveaways,”** such as ballpoint pens/blocks or small corporate gifts are usually not suitable to influence the employee/agent of a business partner or yourself for a specific business transaction, this can be evaluated differently, for example, with generous invitations to **“fun events”** (invitations to a gala dinner, travel abroad).

(iv) Value of the benefit

The fourth criterion is the value of a benefit. The risk of unlawful influence increases with the value of the benefit. This means that the higher the value of the benefit, the greater the appearance that the employee/agent of a business partner is being induced to make a business decision or that you are being induced to do so.

(v) The position of the benefactor and beneficiary

Another criterion is the social and legal status of the benefactor or beneficiary. For example, benefits granted by the management to business partners or customers are to be assessed differently than, for example, benefits granted by an employee to a new customer. The same applies if the management performs representative tasks.

(vi) Frequency of benefits

One criterion – taking into account the above regulations – is also the frequency of benefits granted to a business partner or customer. While a birthday gift is to be assessed positively, it can be a negative criterion if several – individually permissible – gifts are granted within the twelve-month period.

(vii) Checklist for adequacy testing

The following checklist should always be used to review benefits, whereby common sense should always be the deciding factor.

- **Can it be ruled out that the benefit has an impact on the objective business decision or that it negatively influences free and fair competition?**
- **Can it be ruled out that the benefit puts the recipient or related third parties in a better position personally, especially in their private life (because it does not accrue to the company's assets on the recipient's side)?**
- **Can it be ruled out that a personal dependency arises from the benefit?**
- **Can it be ruled out that, in the eyes of a neutral third party, the benefit gives the impression of an unjustified advantage?**
- **Is the benefit transparent, including to the supervisor?**
- **Is the value of the benefit within a reasonable and justifiable range and – if relevant – below the thresholds set out in this policy?**
- **Is the benefit provided as a courtesy or favor?**
- **Is the benefit customary in business?**
- **Does the gift not exceed the personal circumstances of the benefactor or the beneficiary?**
- **Is it not a repeated or regular benefit?**

As soon as one of the questions in the checklist cannot be answered with "Yes" with certainty, the grant may not be awarded or received or the Compliance Officer must be consulted.

6. PRIVATE PURCHASE OF SERVICES

You may only obtain **services privately from business partners** of the BILSTEIN GROUP under the following conditions:

- a) Prices and conditions for these services are customary in the market and do not include any other advantages on the basis of which your business partner expects a business consideration.

For example, you may purchase goods directly from a BILSTEIN GROUP supplier for your private use if the supplier also sells these products directly and you pay the same price for them that the supplier generally charges for direct sales.

- b) The same conditions are granted to all employees of the BILSTEIN GROUP.

Even if the supplier does not distribute these products directly, you may purchase these products from them, provided that the BILSTEIN GROUP has exceptionally concluded a corresponding agreement with this supplier for distribution to all employees of the BILSTEIN GROUP and you purchase the products at the correspondingly agreed conditions.

In this context, we expect you to act responsibly and conscientiously, which includes contacting the Compliance Officer in cases of doubt.

III. Documentation and obligation to provide proof

Not only for the benefit of the BILSTEIN GROUP, but also in your own interest, you should ensure and be able to prove that you comply with the provisions of this anti-corruption policy. You are therefore obliged to maintain documentation in the event that you have granted or accepted a benefit. This includes when you granted or received certain benefits.

Please use the overview attached as **Annex 2**. Please enter in this overview, immediately after you have granted or received a benefit, from whom (name of contact person and company) you received which benefit on which date or to whom you granted this benefit. This also applies **to invitations to business dinners**, insofar as

they are in accordance with the principle of social adequacy (i.e. appropriateness and customary hospitality) (which are therefore subject to documentation but not approval).

This obligation, on the other hand, **does not** apply to normal and adequate hospitality during business meetings.

If, according to this anti-corruption policy, the acceptance or granting of a benefit may only take place with the prior consent of the Compliance Officer, please also document in **Annex 2** when consent was granted.

If you have received a prohibited benefit or if a benefit has not been approved by the Compliance Officer, please record when and how the rejection was made.

After the end of each calendar year, please send the report for the respective calendar year to the Compliance Officer by January 31 of the following year or during the year at the request of the Compliance Officer. Please use the internal mail of the BILSTEIN GROUP or the email address of the Compliance Officer. The Compliance Officer will collect and centrally store the reports.

The Compliance Officer will randomly check the documents for accuracy and completeness and, if necessary, also obtain information from other areas and departments of the BILSTEIN GROUP.

IV. Conduct in the event of prohibited benefits

Under no circumstances may you grant or accept benefits to or from your business partner that are prohibited by this anti-corruption policy or to which the Compliance Officer has not given consent. Even if a business partner wants to send you a prohibited benefit, you may not accept it. Rather, please reject this benefit with reference to this anti-corruption policy.

A suggested wording for a corresponding rejection has been included for you in **Annex 1**.

V. Special features and scope of application of U.S. criminal law on corruption (descriptive)

The **Foreign Corrupt Practices Act** (FCPA) is a U.S. law designed to combat corruption internationally. The scope of the FCPA **does not** end at the U.S. borders, but can also extend to companies based outside the U.S. This is highly relevant for the BILSTEIN GROUP (also in Germany) because of the BILSTEIN COLD ROLLED STEEL LP based in the anti-corruption legislation.

Under the FCPA, bribery of foreign public officials (including outside the U.S.) is prohibited. Even the offer of a payment or other pecuniary gain made with corrupt intent is sufficient to constitute this offence.

The definition of the term “public official” under the FCPA differs from the German definition and expands it. Please note, therefore, that under the regulations of the FCPA, a **“public official”** is any person who works for a foreign (i.e. non-U.S.) government, ministry, agency or other public body or on behalf of one of the aforementioned institutions, regardless of their rank and function. It also includes international organizations (e.g., the WTO) as well as parties, party officials and candidates for public office. In addition to natural persons, companies in which a state also (marginally) participates can also be classified as **“foreign officials”** in individual cases.

It should be noted in particular that the FCPA imposes severe penalties on individuals and companies in the event of violations.

For this reason, the scope of application of the FCPA with regard to the definition of public officials – in addition to II 1. c) – will be taken as a basis for the purposes of this policy.

The threshold for application of the FCPA is very low; for example, it has already been applied to companies that have only made transfers to the U.S. or used the American telephone network.

It is therefore important for the BILSTEIN GROUP and in particular for BILSTEIN COLD ROLLED STEEL LP to sensitize you as our employee to the fact that, in addition to German laws, the regulations of the FCPA must always be complied with and

observed in order to avoid cases of corruption. If you have any questions, please contact the Compliance Officer directly.

VI. The BILSTEIN GROUP sanctions

Your commitment to pursuing the corporate goals of the BILSTEIN GROUP companies is very important to us. This policy is not intended to detract from your commitment, but to provide you with a framework.

We trust that you will act in accordance with these objectives in your business dealings, taking into account the applicable laws and this BILSTEIN GROUP anti-corruption policy. However, since compliance with the law and this anti-corruption policy is a necessity, it is in the interests of the BILSTEIN GROUP and all employees that violations of this anti-corruption policy must not remain without appropriate disciplinary consequences.

In addition to any sanctions under criminal law, the BILSTEIN GROUP will also impose disciplinary measures under labor law for violations of this anti-corruption policy. Depending on the degree of violation, the BILSTEIN GROUP may issue warnings, reprimands and dismissals under labor law. Furthermore, the BILSTEIN GROUP reserves the right to assert a claim for damages against you in the event of a breach of this anti-corruption policy under the requirements of labor law.

VII. Liability

As an internal set of rules, this anti-corruption policy is binding for every employee and manager of the BILSTEIN GROUP and compliance is mandatory.

Violations of the anti-corruption policy will result in internal disciplinary measures that are adapted to the extent and severity of the violation and that take into account the specifics of the situation, without prejudice to possible legal consequences. A violation may result in the termination of the employment relationship.

This anti-corruption policy is a binding and fundamental component of the BILSTEIN GROUP's global compliance management system and must therefore be viewed in

conjunction with the other compliance documents (e.g., Code of Conduct). It serves as a guideline for the lawful conduct of every employee of the BILSTEIN GROUP with regard to the handling of benefits.

As this anti-corruption policy is to apply at all national and international locations of the BILSTEIN GROUP, some requirements must be modified or adapted to the applicable law. Where necessary, national supplements are created that take into account the specific conditions in the respective country.

VIII. Traffic light matrix

The traffic light matrix attached as **Annex 3** serves exclusively for a better overview and faster classification of the admissibility or inadmissibility of a benefit to be granted or accepted. However, this matrix is in no way a substitute for carefully reading and observing the BILSTEIN GROUP's anti-corruption policy and independently checking the permissibility of the benefit. If you have any questions or concerns, please contact our Compliance Officer directly by email or telephone. The contact details can be found in the contact sheet "Compliance Officer/Contact Person." This is stored in the MS SharePoint/Intranet and is also issued by the HR department, the works council or the management offices.

IX. External contact persons and contact details

Glade Michel Wirtz
Partnerschaft von Rechtsanwälten mbB
Kasernenstrasse 69
D-40213 Düsseldorf

Dr. Markus Wirtz
Dr. Christian Karbaum

T +49 211 200 52 110
F +49 211 200 52 100

E m.wirtz@glademichelwirtz.com
E c.karbaum@glademichelwirtz.com

In addition, the BILSTEIN GROUP has set up an electronic whistleblower system that enables internal and external whistleblowers to report known or suspected breaches of regulations.

**You can find our electronic whistleblower system on our homepage at
<https://www.bilstein-gruppe.de/en/corporate-governance>
and at
<https://www.bilstein-gruppe.de/en/group-contact>**

Compliance Management System
BILSTEIN GROUP

Anti-Corruption Policy
Annexes

1 – Letter of rejection

[Title]

First of all, I would like to thank you very much for [description of the benefit].

As part of its global compliance program, the BILSTEIN GROUP has established rules of conduct that govern, among other things, the acceptance and granting of benefits. These rules of conduct are aligned with the current standard for compliance and underline the success of our [group of companies], which is attributable to the quality of our products.

Unfortunately, due to the binding rules of conduct for all BILSTEIN GROUP employees, I am unable to accept [your invitation/gift]. In view of this, you will surely understand that I am not allowed to accept your [description of the gift]. Nevertheless, I greatly appreciate [your invitation/gift] and look forward to continuing to work with you so well and successfully in the future.

If you wish, I will be happy to explain the intention and content of the aforementioned rules of conduct in a personal conversation and answer any questions you may have.

[Salutation]

3 – BILSTEIN GROUP traffic light matrix

BRIEF OVERVIEW OF THE CLASSIFICATION OF BENEFITS:

- Any benefit in return for business dealings that leads to an unfair advantage for the grantor or a third party in the purchase of goods or commercial services.
- Benefits in the form of cash gifts (cash or non-cash).
- Benefits to public officials (i.e. persons who, under German law, are in an official position under public law or are otherwise appointed to perform public administration tasks for an authority or other body or on its behalf, irrespective of the organizational form chosen to perform the task).¹
- Travel and accommodation costs for business trips must be borne by the traveler's company.
- Donations or sponsoring (at the discretion of management).
- Benefits, in particular gifts and the granting of advantages (also for related parties), which are not within the normal social order of life and do not correspond to normal business practices.
- "Kick-back" payments as part of consultancy agreements.
- Payments to expedite government services (so-called "facilitation payments").

- **Benefits whose equivalent value exceeds EUR 35.00 or which are granted/accepted more frequently than once a year per business partner.**
- **All other benefits and in cases of doubt.**

- **Benefits up to an equivalent value of EUR 35.00, which are granted/accepted only once per year per business partner.**
- **Usual business hospitality in the context of meetings, business appointments and conferences as well as low-value promotional gifts (ballpoint pens, etc.).**
- **Invitations to business meals, provided these do not exceed the scope of reasonable and customary hospitality (to be determined on the basis of the employee's function and the occasion and setting of the meal – duration, location, content, composition of the group of participants, etc.).**

¹ Special circumstances apply to BILSTEIN COLD ROLLED STEEL LP, which is based in the U.S.: The BILSTEIN GROUP may also be subject to the U.S. Foreign Corrupt Practices Act (FCPA), which defines the terms "public official" and "office holder" even more broadly.

DEFINITION / EXPLANATION OF HANDLING:

Benefit:

Any benefit that objectively places the recipient in a better position in economic, legal or personal terms, either materially or immaterially, and to which there is no legal entitlement. This includes, in particular, gifts of all types, invitations to meals, invitations to sporting or cultural events and benefits of any other sort.

- These benefits are always prohibited. They may neither be granted nor accepted.

- These benefits require the notification and approval of the Compliance Officer. Whether a benefit constitutes one requiring approval must be determined on a case-by-case basis by the person concerned or, in cases of doubt, by the Compliance Officer. Handling is carried out in accordance with the law binding for the BILSTEIN GROUP as well as internal guideline and directives.

- These benefits are always permitted and must always be documented – with the exception of the usual catering in the context of a business meeting, **invitations to business meals (insofar as these are in line with the principle of social adequacy)** and the granting/acceptance of minor promotional gifts.

Compliance Management System

BILSTEIN GROUP

Antitrust Guide

Management statement

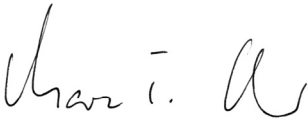
In its corporate policy, the BILSTEIN GROUP¹ attaches the utmost importance to compliance with corporate ethical values.

Responsibility towards customers, employees, shareholders and the general public forms the central pillar for the actions of all employees of the BILSTEIN GROUP companies.

Our reputation and the trust of customers, investors and the public are crucially dependent on the conduct of each individual employee. Each individual must contribute to ensuring that the companies in the BILSTEIN GROUP live up to this responsibility. This also requires that all employees observe the rules of antitrust law in competition. Violations of antitrust law contradict our understanding of free and fair competition and cause enormous damage to the companies of the BILSTEIN GROUP.

This guide is therefore intended to help you in your day-to-day work to recognize situations that are sensitive under antitrust law and to be able to act appropriately within the limits of the law. To this end, the guide explains key antitrust conduct requirements that are important for your day-to-day professional activities.

In addition, this guide outlines the risks associated with antitrust violations for the BILSTEIN GROUP companies and provides specific guideline for certain risk situations, offering guidance on how to conduct oneself in day-to-day dealings with competitors, customers, and suppliers.



Marc T. Oehler
Shareholder and Chairman of the Management Board
of the BILSTEIN GROUP

¹"BILSTEIN GROUP" is used in this Antitrust Guide as a generic term for all current and future companies of the BILSTEIN GROUP worldwide. These currently include, among others, BILSTEIN GmbH & Co. KG, HUGO VOGELSANG GmbH & Co. KG, BILSTEIN SERVICE GmbH, BILSTEIN CEE a.s., BILSTEIN COLD ROLLED STEEL LP, BILSTEIN STEEL FIBER GmbH, BILCUT GmbH, SHEARLINE STEEL STRIP Ltd., BILSTEIN TRADING (SHANGHAI) Co., Ltd., and BILSTEIN SPECIALTY STEEL MEXICO S. de R.L. de C.V.

Section A of this guide describes the most important antitrust conduct requirements for your day-to-day professional activities. Section B. summarizes the consequences that a violation of antitrust law may have for the companies of the BILSTEIN GROUP and for you personally. Section C. provides specific recommendations for critical situations.

A. Unlawful conduct under antitrust law

Antitrust law protects competition in particular against agreements restricting competition and coordinated practices between companies (so-called prohibition of cartels, I.) as well as against companies exploiting a special market position to the detriment of competition or calling for a boycott of other companies (unilateral antitrust violations, II.).

I. CARTEL PROHIBITION

The prohibition of cartels forbids

“Agreements between companies, decisions by associations of companies and coordinated practices which have as their object or effect the prevention, restriction or distortion of competition.”

This means that not only “agreements” between companies that restrict competition, such as cartel agreements, are illegal under antitrust law, but also coordinated practices. The existence of a breach of the prohibition of cartels therefore does not require a legally binding contract to be concluded. Informal votes are also sufficient. An actual, detrimental effect of conduct on competition is also not required for an infringement in the case of typical cartel agreements on prices, quantities, customers, territories, etc. In the case of such so-called “hardcore infringements,” the antitrust authorities assume that a restriction of competition is intended, which is sufficient for an infringement – the attempt is therefore already prohibited.

It should be emphasized that the prohibition of cartels only applies to agreements/coordinated practices between (different) companies. **It therefore does not apply to intra-group agreements** between, for example, a parent company and a subsidiary or between sister companies of a group of companies, e.g., regarding the division of sales territories, main areas of activity, etc. If joint ventures on a parity basis enter

into such an agreement (in which at least one “external” shareholder is involved in addition to a BILSTEIN GROUP company), the applicability of the group advantage must be examined separately under antitrust law in each individual case. In this regard, the Compliance Officer of the BILSTEIN GROUP companies should be contacted. The contact details can be found in the contact sheet “Representatives/Contact Persons.” This is stored in the MS SharePoint/Intranet and is also issued by the HR department, the works council or the management offices.

1. Forms of conduct in violation of antitrust law

a) Agreement

The form or environment in which an “agreement” is made is irrelevant for assessment under antitrust law. Cartel agreements can therefore be made in writing, e.g., in contracts, letters, emails or via social media messenger services, verbally, for example in telephone calls, at industry meetings, by handshake, but also at informal meetings at sports stadiums or over dinner. Even a wink can be enough.

b) Coordinated activities

Not only are such “agreements” prohibited, but also any “coordinated activities” that restricts competition. Communicative measures that make it easier to adapt the conduct of BILSTEIN GROUP companies to the current or future activities of competitors are therefore already problematic. The antitrust authorities regard **“any direct or indirect contact between companies”** as critical, which is made with the aim or even de facto has the effect of “influencing” the market activities of an actual or potential competitor.

Therefore, even the communication of competition-sensitive information (e.g., the timing and extent of a planned price increase) to competitors is problematic because the communication reduces the uncertainty of competitors about future market activities (see below under A. I. 2. b)). This is because the competitor becomes aware of an impending price increase and can adjust its activities in line with this information. It is also prohibited to voluntarily receive competition-sensitive information from competitors.

c) However: Parallel activities are permissible

In contrast, autonomous parallel activities are permissible under antitrust law, i.e. independent adaptation to market conditions and consequently also to the activities of competitors. It is also irrelevant whether this adjustment is made consciously

or unconsciously, as long as there is no underlying agreement with competitors. Parallel pricing is therefore permissible if it is based on information obtained by legal means, e.g., through market observation.

Example:

If a customer informs you that your competitor X is planning a price increase of 3 % for the next quarter, you can use this information without further ado and, for example, also implement a price increase. This is only critical if the competitor and you use the customer specifically to communicate via “ties” so that you do not need to communicate with each other directly (so-called “hub-and-spoke”).

However, parallel activities are critical if there has previously been an exchange of information between competitors. Parallel activities are regarded by the antitrust authorities as an indication of a coordinated practice in violation of antitrust law if there has been prior contact with a competitor. If information on competitor activities is communicated by customers, for example, it can therefore be helpful to briefly note the source of the information, for example by making a note in a visit report, in order to refute any suspicions.

d) Unilateral disclosure of information

A distinction must be drawn between permissible parallel activities and prohibited coordination via public communication (so-called “signaling”). The unilateral disclosure of competition-sensitive information can already constitute a breach of antitrust law. The reason for this is that one-sided information can also reduce the level of uncertainty for competitors.

If a company discloses competitively sensitive information, such as the announcement of a specific price increase, through a public communication (e.g., on the website, in an interview or a statement at a public event), such an announcement may be considered a coordinated practice. The disclosure may indicate that it is part of a communication channel between competitors to signal the intention to behave in a certain way in the market and possibly also to obtain confirmation of this.

Should it be necessary in individual cases to disclose (competitively sensitive) information or to respond to a competitor's announcements, the specific circumstances of the individual case must always be examined. The BILSTEIN GROUP Compliance Officer should be contacted for this purpose.

In principle, the following rules must be observed in order to avoid violations of antitrust law in connection with the unilateral disclosure of company information:

- **Before disclosing competition-sensitive information, it should be determined what purpose the announcement serves, whether it is legitimate and whether the level of detail of the information to be disclosed is necessary for this purpose and not excessive;**
- **The disclosure of competition-sensitive information about planned behavior with regard to customers, prices, quantities or strategies should be avoided;**
- **Announcements on strategic steps that are dependent on the actions of the BILSTEIN GROUP's competitors ("if...then...") should also be avoided.**

2. Horizontal restrictions of competition

Restrictions of competition within the meaning of the prohibition of cartels can be agreed/coordinated horizontally and vertically. Horizontal restraints of competition occur between competitors, i.e. between companies operating at the same market level and competing with each other on the sales or purchasing side. Potential competitors who could enter the market in question under realistic assumptions are also considered competitors within the meaning of the prohibition of cartels. Vertical restraints of competition, on the other hand, concern the relationship between companies at different market levels, e.g., between supplier and customer.

a) Hardcore agreements between competitors

There are certain horizontal agreements between competitors that are particularly serious. Such so-called "hardcore agreements" almost always violate the prohibition of cartels.

Hardcore agreements initially include those that relate to **prices, price components and conditions**. Agreements with competitors are therefore prohibited:

- **Sales prices (gross, net or list prices),**
- **Price increases (including timing of price increases),**
- **Minimum or reference prices,**
- **rebates, bonuses or discounts,**
- **price components and surcharges (e.g., material surcharges, inflation surcharges, toll surcharges),**
- **calculation schemes (e.g., for prices, costs or freight costs, contribution margins),**
- **payment terms,**
- **warranty periods and**
- **purchase conditions.**

Typical price-fixing agreements are also known as bid-rigging **agreements**. In a bid-rigging agreement, the companies participating in a public or private-sector tender agree that individual bidders will not submit any bids or will submit excessive sham or protective bids at a certain price level in order to obtain the award of the contract at a possibly excessive price to a certain company and thus “distribute” tenders among themselves.

The **division of markets** through the allocation of territories or customers as well as the determination of certain sales quotas between competitors also qualify as hardcore agreements. Examples are:

- **Allocation of territories, products (“specialization”) or customers, possibly combined with the agreement of compensation payments in the event of delivery to such territories or customers,**

- **Agreements on sales quotas, i.e. the allocation or restriction of sales to a certain quantity or target quantity expressed in percent, units or tons,**
- **export and import bans or restrictions or**
- **purchase of competition (e.g., “set-aside agreements”).**

b) Exchange of competition-sensitive information

Antitrust law also prohibits the exchange of information with competitors if this information allows conclusions to be drawn about future competitive activities. This is based on the view that companies should decide on their business policy freely and independently of their competitors and also bear the economic risk of this (the so-called “independence principle”). In the opinion of the antitrust authorities, the exchange of competition-relevant information leads to a reduction in the decision-making independence of companies and to the abolition of secret competition. This can enable or support an agreement between the companies involved in the exchange of information that violates antitrust law. Therefore, specific information on the following circumstances should not be exchanged between competitors:

- **Prices, timing of (planned) price increases and other price-relevant information,**
- **costs,**
- **production capacities and sales volumes,**
- **order status and delivery times,**
- **sales,**
- **market share,**
- **customer (lists),**
- **delivery areas,**
- **conditions of purchase,**
- **plans relating to market entry or exit or other important strategic elements of the BILSTEIN GROUP companies, etc.**

Because the exchange of information is prohibited if uncertainty about future activities is reduced, outdated or aggregated information can in principle be exchanged. However, it is not possible to say in general terms when information is outdated or sufficiently aggregated. In fast-moving markets, such as procurement at spot prices in volatile markets, purchase prices can become outdated after just a few months, while information in very price-stable markets may allow conclusions to be drawn about future market activities even after 3 - 5 years, so that an exchange would be prohibited. The same applies to the aggregation of data. Sometimes a summary in product groups is sufficient to sufficiently mitigate the competitive relevance of information. In other cases, however, company-level information can also be of strategic interest to competitors.

If you receive information about competitors from public sources or, for example, from a market research institute (which collects, evaluates and publishes information in a manner that complies with antitrust law), this is not critical under antitrust law. Nevertheless, you should document the origin of the information in order to prevent any suspicion that you have improperly exchanged the information with competitors.

However, even if information about competitors is publicly available or can be obtained by legal means, the direct exchange of such information between the competitors in question is prohibited. The background to this assessment is that direct exchange can reduce uncertainty about future activities considerably more than researched information, the reliability of which is uncertain.

In many cases, it may be questionable whether an exchange of information is critical under antitrust law at all, e.g., if information is possibly outdated, its competitive relevance is unclear or the exchange of information is part of a business transaction (e.g., purchase agreement, preparation of a company takeover, etc.) or a permissible collaborative project. In such cases, the specific circumstances of the individual instance must always be examined. The Compliance Officer of the BILSTEIN GROUP companies should be contacted for this purpose.

c) Special risks at association meetings

Special risks generally exist in the case of association meetings, i.e. meetings of business or industry associations, federations, clubs, commissions, etc. (hereinafter referred to simply as "industry association"). The antitrust authorities are becoming increasingly sensitive in this area. Investigations are regularly carried out concerning

associations and association members who have violated antitrust law at association meetings.

This is because competitors come together at many association meetings and therefore have an opportunity to exchange ideas. In addition, a certain familiarity can develop over time, which facilitates agreements. Contacts can also be made easily at association meetings. Overall, there is therefore a great risk that prices, customers, quotas or similar items will be discussed or competitively sensitive information exchanged at such institutionalized meetings – possibly also during the accompanying program.

If an agreement or exchange of information takes place at a meeting, companies that did not actively participate in the improper agreement but were present will also be prosecuted. This is because participation in a meeting during the course of which a breach of antitrust law has occurred is generally regarded as evidence that a company has (expressly or tacitly) consented to the agreement and has adapted its conduct accordingly.

In order to avoid violations of antitrust law in connection with membership in industry associations, we recommend observing the following rules of conduct:

- **In general, it should be documented in which industry associations the companies of the BILSTEIN GROUP are active.**
- **The establishment of a new membership by a BILSTEIN GROUP company in an industry association must be approved in advance by the Compliance Officer.**
- **An employee who wishes to participate in an industry association on behalf of a BILSTEIN GROUP company must be made aware in advance of the antitrust-sensitive aspects mentioned in this guide.**
- **The employees representing a BILSTEIN GROUP company in an industry association should, if possible, be rotated at certain intervals.**
- **The agenda must be submitted to the Compliance Officer at least one week before participation in an association meeting if topics relevant to antitrust law within the meaning of this guide are pending/expected. The agenda must be linguistically clear and unambiguous.**

- If topics are discussed during a meeting that are not permitted under antitrust law, the employee present must object immediately and have the protest recorded in the minutes. If this does not end the discussion on the topic in question, the employee must leave the meeting and ensure that this is also recorded in the minutes. The log entry must be checked. A statement on this incident must be prepared for the Compliance Officer. To avoid participation in a breach of antitrust law, it is not sufficient to remain passive and continue to participate in the meeting.
- The minutes of the association meeting at which critical issues were addressed must be submitted to the Compliance Officer without being asked to do so. It is not enough for critical issues to be discussed without being recorded. If the minutes contain inaccurate passages, an amendment must be obtained from the association or at least an objection must be lodged.
- All documents relating to the association's activities must be archived for ten years.

d) Cooperation with competitors in purchasing, sales, production and R&D

In practice, collaboration between competitors can take a variety of forms (e.g., founding a joint venture or forming an alliance) and pursue various objectives (e.g., joint purchasing, joint sales, joint production, joint research and development ("R&D")).

A generalized assessment of the permissibility of collaborations between competitors is not possible. Rather, a detailed examination is required on a case-by-case basis, taking into account

- **the type and content of the agreement,**
- **the market structure and**
- **the market position of the parties involved.**

The eligibility requirements vary depending on the type of collaboration (purchasing, sales, production, specialization, R&D, etc.) and the market shares of the companies involved.

Collaborations between competitors can unlawfully restrict competition

- **if high market shares of the participants lead to a critical accumulation of market power,**
- **if the collaboration leads to the competitive activities of the participants being aligned,**
- **if the agreements regulating the details of a collaboration impose excessive restrictions on the participants (non-competition/exclusivity, price maintenance, etc.) or**
- **if agreements that violate the prohibition of cartels are made or information is exchanged during meetings between employees of two competitors that go beyond what is necessary for the implementation of the collaboration.**

If a collaboration has restrictive effects on competition, it must be examined on a case-by-case basis whether the collaboration possibly falls within the scope of an exemption provision due to its particular efficiencies and is therefore exempt from the prohibition of cartels, i.e. permissible. However, "hardcore" restrictions such as price or quota agreements as well as customer and market sharing are not exemptable. Due to the complexity of the required legal and economic assessment of the eligibility for exemption in individual cases, an examination by a lawyer specializing in antitrust law is required in every case. In such cases, always contact the BILSTEIN GROUP Compliance Officer first.

Even if collaboration is permissible in individual cases, it must be ensured that the companies involved do not make agreements or exchange information in the course of a collaboration without this being necessary due to the nature of the collaboration.

In the case of **collaboration between competitors on the purchasing side**, additional evaluation criteria apply. While a purchasing collaboration may be permissible under antitrust law after a case-by-case assessment (see above on the general assessment standards), a **purchasing cartel** as a restriction of competition by object is a serious violation of antitrust law. A purchasing cartel exists if two or more purchasers, without entering into joint negotiations with a supplier and actually purchasing together, exchange individual information (e.g., on the status of negotiations

with the supplier) or agree individual terms and conditions of purchase prices, but purchase these separately. A purchasing cartel may also exist if the purchasers agree to exchange competitively sensitive information outside of a permissible purchasing collaboration in which they negotiate jointly on behalf of their members.

In contrast, a permissible purchasing collaboration can be assumed

- **if the collaboration makes it clear to the supplier that the negotiations are conducted on behalf of its members and the members are bound by the agreed conditions for their individual purchases or the purchasing collaboration purchases on behalf of its members, and**
- **the members of the purchasing collaboration have defined the form, scope and mode of operation of the purchasing collaboration in a written agreement and also implement these.**

Finally, the **establishment of a joint venture** represents a special form of collaboration. This refers to a company in which at least two companies each hold a stake of more than 25 %. The establishment of a joint venture can also violate the prohibition of cartels as an agreement between companies. In addition, the prohibition of cartels may be violated during ongoing business operations. Accordingly, the admissibility of a joint venture should be examined under antitrust law before it is established. In day-to-day business operations, the limits resulting from the prohibition of cartels must be observed. Finally, it should be noted that the formation of a joint venture may also be subject to merger control law and may have to be reported to the competent antitrust authority.

e) Cooperation and sustainability

The BILSTEIN GROUP attaches great importance to its responsibility towards the environment and the protection of natural resources and biodiversity. In order to achieve these goals, BILSTEIN GROUP companies may, under certain conditions, also collaborate with competitors to pursue sustainability goals. These sustainability goals include combating climate change, e.g., by reducing CO₂ emissions, preventing environmental pollution, limiting the use of natural resources, but also respecting workers' and human rights. Agreements in this regard that do not have a negative impact on competition parameters such as prices, quantities, quality, selection or innovation are generally permissible under antitrust law.

Example:

The companies of the BILSTEIN GROUP would like to set up a joint database with competitors in which information on suppliers whose supply and value chains are sustainable is stored. This database shows, among other things, the extent to which suppliers pay attention to reducing CO₂ emissions and respecting human rights in their supply chain.

The establishment of such a database is generally permissible under antitrust law. It is important to note that the database does not help to reduce uncertainty about the current or future market activities of participating competitors. Therefore, the database must not reveal who the current or future suppliers of a company are or which conditions apply in this supply relationship.

Competitors can also agree to comply with certain sustainability standards. Such agreements serve to define requirements that manufacturers, suppliers or retailers in a supply chain must fulfill with regard to sustainability parameters such as the environmental impact of production and are permissible under certain conditions under antitrust law. For example, compliance with the standard must not be mandatory for external companies and the collaboration must not have a significant negative impact on prices or product selection. The process for developing the sustainability standard must also be transparent and all interested competitors must be able to participate in the process that leads to the selection of the standard.

At the same time, the pursuit of sustainability goals must not lead to agreements on prices or other competition-relevant parameters that violate antitrust law being made under the guise of a fundamentally legitimate objective, or to the exchange of competitively sensitive data between competitors that goes beyond what is necessary for cooperation (“need-to-know” principle).

If the BILSTEIN GROUP is considering preparing an agreement with a competitor to pursue a sustainability goal, the specific circumstances of the individual case must always be examined. In particular, the assumption that a sustainability agreement that restricts competition is exempt under antitrust law requires a complex assessment. Due to the complexity of the required legal and economic assessment of the eligibility for exemption in individual cases, an examination by a lawyer specializing in antitrust law is required in every case. In such cases, always contact the BILSTEIN GROUP Compliance Officer first.

3. Vertical restraints of competition

Vertical restraints of competition relate to the relationship between market participants at different market levels, e.g., between input material suppliers and manufacturers, and between manufacturers and their customers such as distributors/wholesalers/processors. A vertical relationship therefore exists between BILSTEIN GROUP companies and their suppliers on the one hand, and between BILSTEIN GROUP companies and their customers on the other.

a) Vertical agreements

In particular, provisions on vertical agreements on price maintenance are not permitted. Any restriction on the ability of customers to set their own sales prices is prohibited. In this respect, not only are prices themselves covered, but also specifications for price components and all other price-determining factors in transactions with third parties.

However, it is not prohibited for suppliers to set maximum retail prices or to issue recommended retail prices ("RRP"). However, the prerequisite in each case is that these do not actually have the effect of fixed or minimum selling prices as a result of pressure or the granting of incentives to comply with the recommendations. Even contacting the retailer more than once to discuss the recommended retail price can call into question its non-binding nature. A customer must therefore be free to decide whether or not to follow recommended retail prices in individual cases.

b) Territorial or customer restrictions

Also inadmissible (with certain exceptions) are restrictions on the territory or customer groups to which customers of BILSTEIN GROUP companies may resell cold-rolled strip products (territory and customer protection).

Exceptions may apply – in any case up to a market share of the supplier on the sales market and of the customer on the procurement market of 30 % each – for sales to a customer group or to an area that companies of the BILSTEIN GROUP have reserved for themselves or exclusively allocated to another customer. However, only the **active sale** of the respective customer can be restricted in this respect. Active selling is when the customer in question is approached in a targeted manner (e.g., by making direct contact, through customer-specific advertising, etc.). **Passive sales** – i.e. sales following an unsolicited approach by a customer that is not prompted by sales promotion measures – may not be restricted.

c) Exclusive purchase and non-competition clauses

Agreements under which a customer may not buy or resell competing products from other suppliers or incorporate them into their own products are referred to as exclusive purchasing or single branding. They must always be examined more closely.

This does not only apply in the case of a full purchase obligation, but already when the customer has to purchase more than 80 % of the contract goods from the relevant supplier. In addition to purchasing obligations, classic non-competition clauses that prohibit the customer from purchasing or offering competing products are also problematic.

Corresponding clauses are generally permissible if the supplier has a market share of less than 30 % on its sales market and the customer has a market share of less than 30 % on the procurement market **and** the obligation does not exceed a period of five years and does not apply for an indefinite period. An automatic extension of the non-compete clause beyond 5 years is only permitted if the agreement also provides for a reasonable notice period and this can be effectively renegotiated or terminated at reasonable cost. For example, a reasonable notice period could be 6 months to the end of the respective contract term.

II. UNILATERAL VIOLATIONS OF ANTITRUST LAW: ABUSE OF MARKET POWER AND PROHIBITION OF BOYCOTTS

1. Prohibition of abuse

Market-dominant companies – according to the common formulation – are subject to special conduct control because such companies have a special market structure responsibility. This is intended to ensure that dominant companies do not abuse their market position. In particular, the aim is to ensure that smaller competitors in

- **the market have sufficient room for maneuvering to challenge the dominant company and**
- **that customers are protected from a structural deterioration in the price-performance ratio.**

A company is generally considered dominant if it has a market share of more than 40 % (so-called “absolute market power”). If these thresholds are exceeded, a dominant market position is assumed. Even lower market shares can be sufficient for the assumption of a dominant market position if other factors are added. Under German law, there is also a presumption of a collective dominant position if a group of no more than three companies has a market share of 50 % in a particular market or a group of no more than five companies has a combined market share of 66.66 %.

Dominant companies are prohibited from abusing their dominant market position. Abuse exists in particular if, for example, another company is directly or indirectly unfairly hindered (so-called prohibition of hindrance) or is directly or indirectly treated differently than similar companies without an objectively justified reason (so-called prohibition of discrimination). Dominant companies are therefore prohibited from retaining customers or suppliers in the long term (e.g., through exclusive rights or product range discounts, etc.) and thus reducing market entry and expansion opportunities for competitors. It would also be inadmissible to demand different conditions from companies on the opposite side of the market for the same services without this being justified by an objective reason. Demanding fees or other terms and conditions that deviate from those that would most likely have resulted from effective competition is also fundamentally abusive. Note: This only applies to dominant companies.

2. Prohibition to request boycotts

According to the prohibition of boycotts, requests by a market participant (disrupter) to another market participant (addressee) to no longer supply certain third companies (blocked parties) or to no longer purchase goods from these companies (so-called boycott call) are not permitted. For qualification as a restriction of competition, it is irrelevant whether the request is actually complied with.

B. Sanctions and consequences

Violations of antitrust laws entail major risks for the companies of the BILSTEIN GROUP and the individuals involved.

I. FINES

The European Commission and national antitrust authorities can impose fines on companies. The fines can amount to up to 10 % of a company's total turnover in the last completed financial year prior to a decision to impose a fine, whereby the total group turnover is taken into account.

The following overviews of the highest fines imposed by the Federal Cartel Office and the European Commission in recent years provide an impression of the amount of fines imposed for agreements on prices, territories, customers, etc:

Selected decisions on fines by the Federal Cartel Office:

Case	Year	Total fine in EUR	Maximum individual fine in EUR
Aluminum forging	2020	175,000,000	145,000,000
Pesticides	2020	157,000,000	69,000,000
Quarto plates	2019	646,405,000	370,000,000
Stainless steel	2018	304,050,050	118,000,000
Beer	2014	338,000,000	160,000,000
Sausage	2014	338,500,000	128,050,000

Selected decisions on fines by the European Commission:

Case	Year	Total fine in EUR	Maximum individual fine in EUR
Ethylene purchasing	2020	260,000,000	155,000,000
Forex	2019	1,070,000,000	310,000,000
Trucks	2017	3,800,000,000	1,000,000,000
Euro Interest Rates Derivatives	2016	1,300,000,000	466,000,000
CRTs	2012	1,400,000,000	705,000,000

Under German law, fines of up to EUR 1.0 million can also be imposed on individuals who are directly involved in antitrust violations for each violation. This liability for fines can also apply to members of the management and other persons with management or supervisory powers if they were not actively involved but did not fulfill their supervisory duties and therefore did not prevent a violation of antitrust law in the company.

It is important to know that the risk of detection is very high and has risen steadily in recent years. The main reasons for this are the leniency programs of the antitrust authorities. These offer immunity from fines to the participant in a secret cartel who reports it first and enables an investigation. The vast majority of the above-mentioned decisions to impose fines are therefore also attributable to leniency programs. In addition, companies are becoming increasingly aware of compliance issues, which has also led to an ever-increasing detection rate within companies. Finally, it is also common for competitors or customers to complain to the antitrust authorities if anomalies indicate violations of antitrust law. Many companies already operate antitrust monitoring systems that screen supplier behavior for anomalies relevant to antitrust law.

II. IMPRISONMENT OR FINE

Violations of antitrust law can also lead to personal criminal sanctions, i.e. imprisonment or fines. Submission fraud, for example, is punishable under German law. The scope of the offense is broad. It does not have to be a public tender, private tenders are also covered. Submission fraud can be punished with a prison sentence of up to five years or a fine. Furthermore, in addition to submission fraud, the collusion of tenders may also be punishable for fraud or serious fraud.

III. INVALIDITY OF CONTRACTS AND DAMAGES

Violations of antitrust law also have legal consequences under civil law.

1. Invalidity of contracts

Contractual clauses that violate antitrust law are null and void, i.e. ineffective, without the need for a prior decision by an authority or a court. Under certain circumstances, an ineffective contractual clause can result in not only this clause but the entire contract being ineffective. The contracting parties cannot invoke invalid contracts, which can result in the loss of any claims and extensive renegotiations with an unfavorable starting position.

2. Damages

Market participants affected by conduct in breach of antitrust law (e.g., competitors or customers of the companies involved in a breach of antitrust law) can demand compensation for the damage they have suffered as a result of the conduct in breach of antitrust law (in the case of a cartel, e.g., the difference between the cartel price paid and the generally lower price in the case of effective and undistorted competition plus interest).

In recent years, an increasing number of customers who have allegedly suffered financial losses as a result of conduct in breach of antitrust law have filed claims for damages. Numerous plaintiffs' representatives have specialized in bundling customer claims, so that there is currently a trend towards more intensive prosecution of cases, which has once again significantly increased the risks for companies involved in antitrust violations. The enforcement of claims for damages has also been further intensified as a result of the (further) simplification of the enforcement of such claims through recent reforms of the underlying laws.

For example, an administrative order imposing a fine is binding for the civil courts with regard to the finding that there was a breach of antitrust law, which is why plaintiffs for damages regularly request and receive access to the files of the administrative order imposing the fine. Furthermore, there is a rebuttable presumption that a cartel affected specific procurement transactions and caused damage. The courts then essentially (only) have to decide on the amount of the damage. Companies involved in a cartel are not only liable for damages suffered by their own customers, but also by third parties. These innovations have considerably reduced the risk

for plaintiffs claiming cartel damages and thus increase their motivation to claim damages.

IV. CONSEQUENCES UNDER LABOR LAW

Depending on the significance and severity of a violation, conduct in violation of antitrust law in the companies of the BILSTEIN GROUP may also have consequences under labor law for the employees involved in a violation.

Violations of antitrust regulations are consistently investigated.

V. OTHER CONSEQUENCES

The considerable loss of reputation and trust among customers, suppliers, other business partners, employees and the public that generally accompanies antitrust violations is particularly serious.

In addition, clarifying the facts of the case and defending the company in the context of antitrust investigations or claims for damages by third parties tie up a large amount of human resources and, in addition to the costs of the proceedings, lead to a high level of strain on the company in terms of time and money.

C. General instructions for conduct

I. CONDUCT IN THE EVENT OF INADMISSIBLE FORMULATIONS

As soon as you realize that a business partner's request is inadmissible under antitrust law, make this clear to them. Make it clear that such an agreement is out of the question for you because it violates antitrust regulations. You should record this in writing. In the context of written correspondence, e.g., email or postal correspondence, make this clear in your reply. When communicating by telephone or during meetings, make a note of the other person's demeanor as well as your reaction along with the date and exact time. In this context, also make it clear that further talks cannot take place on this basis. Please also forward your response or note to the Compliance Officer. This is important because it allows the companies of the BILSTEIN GROUP and you to exculpate yourself.

II. CONDUCT IN THE EVENT OF UNCERTAINTY

If you are unsure whether your counterpart's conduct is in compliance with antitrust law, it is important that you clarify the situation. In the case of written correspondence, submit the letter or email from your counterpart to your superior. If there are still uncertainties regarding admissibility after consulting your supervisor, please contact the Compliance Officer. If you have any doubts about admissibility during a telephone call or meeting, tell the person you are talking to that you need to consult with them first before making any decisions. In this case too, contact the Compliance Officer, who will seek external legal advice if necessary.

III. ATTEMPTED COORDINATION

Please also note that a violation of antitrust law may exist even if a prohibited agreement or coordinated practice was not actually implemented. It is sufficient that the conduct has as its object an unlawful restriction of competition. It is therefore important that you document your negative reaction as a response to an inadmissible proposal so that you can prove this in case of doubt.

IV. STORAGE OF DOCUMENTS

Certain processes, especially those that may be relevant under antitrust law from the perspective of an antitrust authority, must be documented and the documents produced must be retained so that the company does not find itself in a situation where it is unable to provide evidence in the event that allegations are made. This applies in principle to:

- **compliance measures implemented,**
- **contacts with competitors,**
- **transcripts of industry meetings or other meetings with competitors, e.g., as part of specialist meetings,**
- **documentation of the origin of information about competitors,**
- **documentation of legal, autonomous parallel conduct and**
- **independent calculations of the offer for participation in a tender, etc.**

Documents relating to potentially problematic behavior under antitrust law must also be retained. Destruction of documents can lead to massive strategic problems when defending against accusations by the antitrust authorities. This is particularly the case if incriminating documents relating to your own company are found during an investigation or inspection of other companies. It greatly hinders the development of a defense strategy if the company or the external lawyers can no longer inspect and review these or corresponding documents themselves.

Once a search by the antitrust authorities has begun, the destruction of documents can, among other things, mean that cooperation with the antitrust authorities is no longer taken into account to reduce the fine.

D. External contact persons and contact details

Contacts as external lawyers specializing in antitrust law are:

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In addition, the BILSTEIN GROUP has set up an electronic whistleblower system that enables internal and external whistleblowers to report known or suspected breaches of regulations.

**You can find our electronic whistleblower system on our homepage at
<https://www.bilstein-gruppe.de/en/corporate-governance>
and at
<https://www.bilstein-gruppe.de/en/group-contact>**

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