



Competition Law Compliance Guide

Group legal department

June 2024 - V1

CONTENTS

A message from management	3
What is competition law?	4
The importance of compliance with competition law	5
Horizontal agreements	6
Vertical agreements	10
Abuse of a dominant position	11
Golden rules in the event of a raid	12

A message from *management*

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

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

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

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

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

Camille Lagache
General Counsel

Philippe Lamazou
CEO

Franck Lavalloir
Deputy Managing Director,
Head of Compliance



What is competition *law*?

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

REGULATIONS

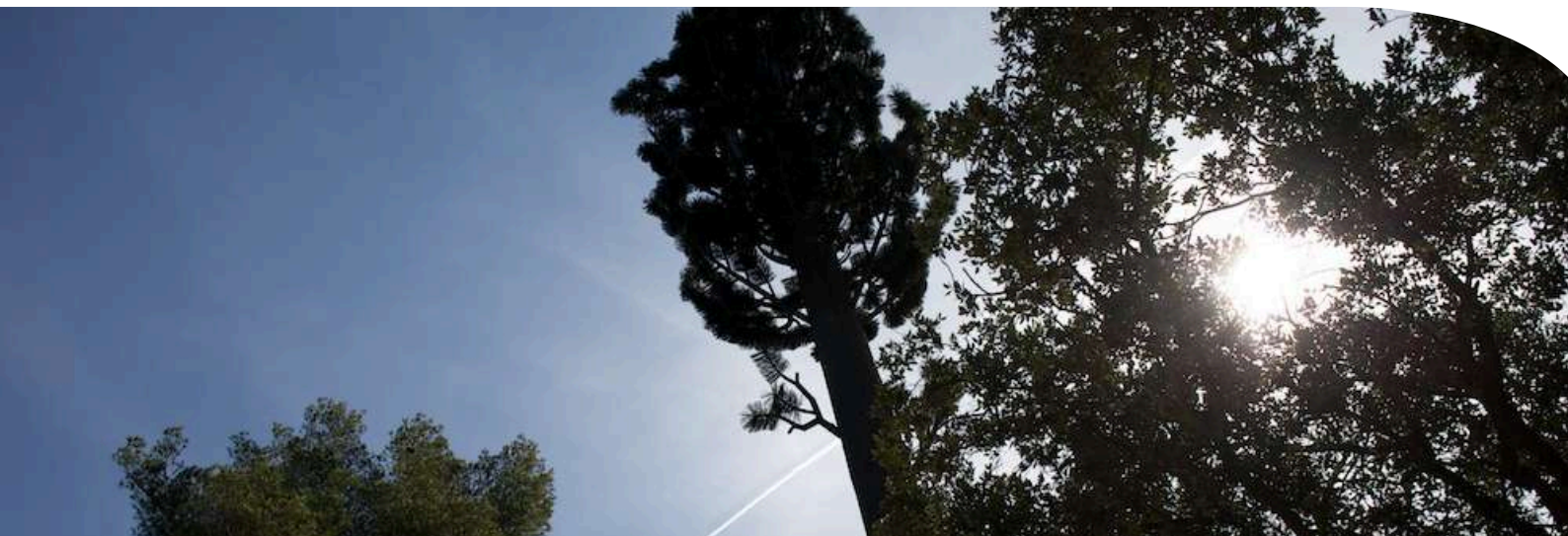
Competition law exists in all countries where Circet is present.

THE ACTIVITIES IN QUESTION

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

THE MAIN ANTI-COMPETITIVE PRACTICES

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



The importance of adhering to competition law

COMPETITION: ONE OF THE PILLARS OF ECONOMIC GROWTH

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

RISKS IN THE EVENT OF NON-COMPLIANCE WITH COMPETITION LAW

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

COOPERATION WITH COMPETITION AUTHORITIES

In each country where the Circet Group operates, there are competent authorities, that enforce the application of competition law. In Europe, the European Commission also monitors the application of competition rules. These various authorities cooperate in carrying out their investigations.

Horizontales

agreements

WHAT YOU SHOULD NOT DO WITH YOUR COMPETITORS

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

Setting prices, commercial conditions, volumes

Dividing up markets (customers, territories, services)

Agreeing to boycott companies

Agreeing to limit innovation

Horizontale *agreements*

WHAT YOU SHOULD NOT DO WITH YOUR COMPETITORS

PROHIBITED EXCHANGES OF INFORMATION *Examples*

Prices and any information on commercial conditions (discounts, reductions, bonuses, future increases, etc.)

Production capacity, quantities/volumes, investments

Cost structures

Marketing strategies and innovations

Customer requests

Response to calls for tenders

INSTRUCTION

- If you receive an **email** with **sensitive information**, reply to this email indicating that you did not request this information, keep it and **inform your lawyer**.
- Only use documents from **public sources** and **always mention the source**.
- Do not exchange **sensitive information** with your **competitors** through a third party (supplier, customer or other).
- Contact your legal department before any **external commercial communication**

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

Horizontal *agreements*

PARTICIPATION IN PROFESSIONAL ASSOCIATIONS

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

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



Horizontal *agreements*

IN PRACTICE

RESPONSE TO CALLS FOR TENDERS

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

Refusing to
respond to allow
a competitor to
win

Making an
inadmissible
offer to allow a
competitor to
win

Dividing up
markets

Agreeing
between
competitors to
take turns at
winning

Exchanging any
sensitive
information

It may be lawful to respond as a group under certain conditions. The legal department will review and confirm such conditions.

Verticales *Agreements*

WHAT YOU SHOULD NOT DO WITH YOUR CUSTOMERS

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



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

You should remain vigilant in situations where you wish to:

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



In such situations, contact your legal department.

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



Abuse of a dominant *position*

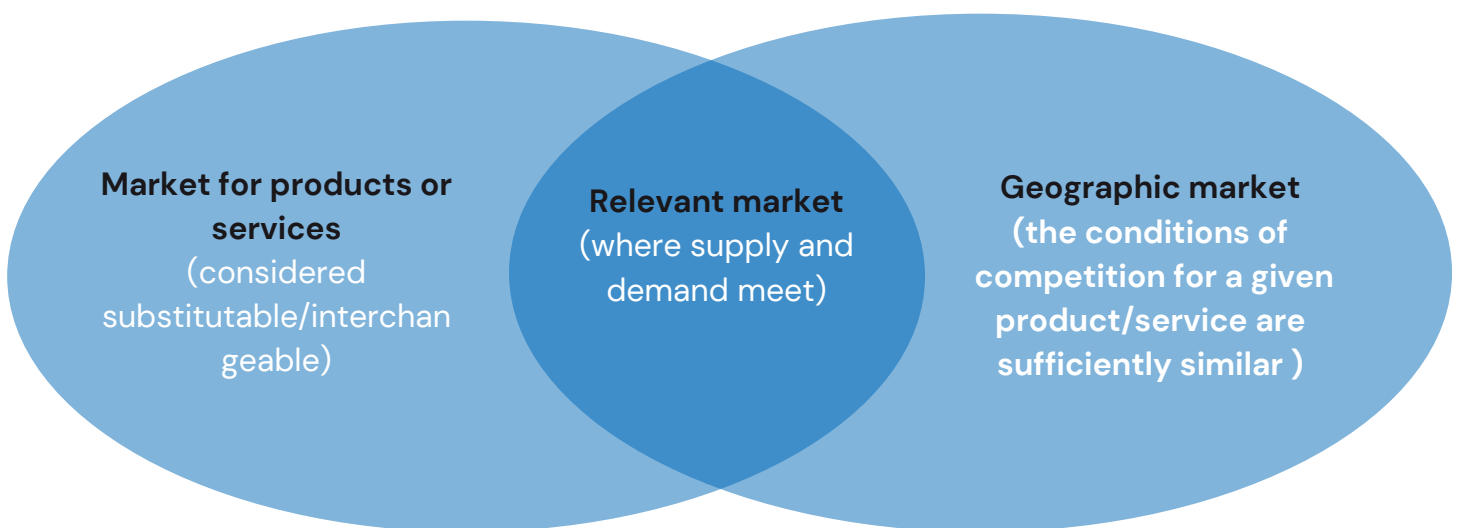
The abuse of a dominant position has two components:

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

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

Being in a dominant position

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



Warning, the market is constantly changing

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

Abuse of a dominant *position*

Abuse

Abuse of a dominant position occurs when the company engages in conduct that hinders effective competition in the relevant market. Some behaviours that are lawful for companies that are not in a dominant position become unlawful when the company is in a dominant position.

Example of the abuse of a dominant position

Tariff abuse

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

Behavioural abuse

- Making false or damaging statements about a competitor
- Refusing to sell products or services

Contact your legal department in relation to any such business negotiations.



Contact us



<https://www.circet.com/>



complianceofficer@circet.com



Group Legal Department
64 rue la Boétie - 75008 Paris