

PROTOCOL REGARDING A PROHIBITION ON PRICE AGREEMENTS

Competition law in Europe and in North America provides that fixing the price of a product or service in agreement with another individual or business is illegal. Said price-fixing harms a healthy competition between distributors and can injure the interests of consumers.

The sanctions on price-fixing are very severe: it is punishable by fine, it can result in criminal prosecution and claims for damages from disadvantaged third parties (such as customers, consumers and competitors). Besides it can give cause to director's liability.

This Protocol of Van de Velde NV and its subsidiaries (hereinafter: "the Company") serves to make the commercial employees, sales representatives, buyers and agents who have assigned responsibilities that could give rise to a potential exposure of the Company to criminal liability or significant civil liability for violation of Competition law (hereinafter: "Involved person"), aware of the price-fixing rules and to prevent illegal price fixing or the impression of such by the Involved person or the Company.



Furthermore, if anyone knows about or strongly suspects price-fixing within Van de Velde, Van de Velde asks that person to report this via our **internal reporting channel** ([Internal reporting | Van de Velde](#)). In accordance with Van de Velde's Whistleblowing policy, the report is treated confidentially and the reporting person is protected against possible retaliation. The report can also be made anonymously. The Whistleblowing policy can be consulted via [this link](#). The procedure for making and following up a report can be consulted in the diagram "Internal reporting" in our Whistleblowing Policy. For questions, please contact whistleblowing@vandevelde.eu

- Company policy and applicable rules -

1. Between manufacturers (= horizontal price-fixing)

Agreements that restrict price competition are illegal. This description typically covers agreements between competitors on the prices which they will charge their customers, or which they will pay to suppliers.

This means that you cannot:

- agree prices, discounts, profit margin etc. with competitors;
- agree terms of conditions of sale (such as credit terms or delivery charges);
- discuss or exchange information on current and future pricing with competitors.

The law does not only cover formal pricing agreements. It also includes other activities that could have a price-fixing effect. For example, you should not:

- discuss your pricing plans or any other price information with your competitors. This could first of all give the impression that you are price-fixing. Besides, if you then all "happen" to raise your prices, you are indeed perceived to be price-fixing;

- divide territory: competitors may not agree to designate geographic areas in which each will or will not sell;
- divide customers: competitors may not agree that each will sell to a particular customer or class of customers and not to another, nor may they agree on who will make a specific sale;
- divide products or services: competitors may not agree that one will sell one type of product or service to a customer while the other will sell another type of product or service to that customer;
- boycot: two or more companies or persons (whether or not competitors) may not agree among themselves not to sell to a particular buyer, or not to buy from a particular manufacturer, producer, or seller.

An agreement may be inferred from a course of conduct, or from a history of communications or meetings between competitors followed by uniform price action or non-action.

If you are in a situation where price level or any of the aforementioned prohibited activities becomes a topic of conversation between manufacturers, leave the conversation or leave the room, and make sure (if it is an official meeting) that your departure is registered in the minutes. Besides, you should immediately inform your direct superior or your principal of those practices in writing.

2. Between Van de Velde and customers (= vertical price-fixing)

We cannot impose prices, such as minimum or recommended retail prices to our clients, or not even ask our customers to respect certain prices.

It is allowed to explain to a customer how her profit is generated, and what the influence is of prices, margins, rotation, left-overs and consumer loyalty on the contribution of our brand to his/her profit but the customer is always free to determine at what margin he/she decides to sell our products.

As a result you should never pressure or even ask our clients to respect certain prices.

3. Between a retail division of Van de Velde and its suppliers (= vertical price-fixing)

We cannot agree or guarantee to our suppliers to respect certain prices such as minimum or recommended retail prices.