LDC.
Louis Dreyfus Company

LDC Antitrust Compliance Policy

SINCE 1851

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Introduction

LDC is committed to serving its suppliers and customers through vigorous competition, efficiency, innovation and customer choice, always working to comply conscientiously with antitrust and competition laws applicable to its business.

Many corporate actions, including those involving competitors, customers, suppliers, output, sales and pricing, can potentially raise antitrust issues. This Policy is therefore intended to help LDC employees recognize the kinds of conduct that antitrust and competition laws address, and identify when they should seek guidance from the LDC Legal Department.

This Policy should not be considered a comprehensive explanation of antitrust law and is not designed to make employees experts in the area. In fact:

- Antitrust laws are complex, nuanced and heavily influenced by economics. They have been widely adopted by countries across the globe, but their terms vary enormously across jurisdictions. Many laws are termed “competition” laws. This Policy uses the terms “antitrust” and “competition” synonymously.

- Antitrust and competition laws around the world contain many defenses and elements that are beyond the scope of this policy. Even in the United States, which has one of the oldest laws (over 130 years old), many areas of antitrust law are uncertain, undecided or in flux.

As such, this Policy is at times stricter than applicable laws, to help LDC and its employees avoid even the appearance of a legal violation. It is designed to prevent violations of law and to help employees identify issues where they need the input of the LDC Legal Department.

It is the obligation of every LDC director, officer and employee to adhere to this Policy.

Moreover, it is the responsibility of officers, managers, and other leaders throughout the Company to promote a culture of compliance and ensure that this Policy is communicated, understood and observed by all LDC personnel.

The importance of this effort cannot be overstated. **A violation of antitrust or competition laws can be a serious matter and result in severe penalties, including imprisonment for individuals, substantial fines, damage to LDC’s reputation and disciplinary action**.

The LDC Legal Department is available at all times to assist LDC employees to understand this Policy and the complex antitrust laws applicable in the many jurisdictions where the company operates.

Antitrust Law: The Basics

Antitrust and competition laws around the world are designed to protect free and unrestricted competition at all levels of the supply chain. The goal of competition law is to promote competition on the merits - in other words, winning customers based on product quality, price, reliability, unique services, etc. - and to prevent competition from being undermined by certain unlawful conduct.

A hallmark of conscientious antitrust compliance is that a company's decisions are made unilaterally and independently.

"Vertical" vs. "Horizontal" Agreements. In antitrust, it is common to describe agreements with head-to-head competitors as being "horizontal" agreements. By contrast, agreements with suppliers to LDC or LDC's customers are termed in antitrust as "vertical." That is, "vertical" agreements are agreements to buy or to sell; "vertical" agreements are essential to the functioning of markets. For example, buying or selling a house or buying or selling a car requires setting a price and agreeing on it with your counterparty but such agreements are "vertical" - in no way are these buy-sell agreements "price fixing" - a term used to describe certain prohibited types of horizontal agreements among head-to-head competitors in the antitrust laws. However, as elaborated in the section "Vertical Agreements With Suppliers, Customers, Manufacturers, Distributors, Wholesalers" below, certain agreements between LDC and its suppliers, customers, manufacturers, distributors, and wholesalers - known as "vertical" agreements (e.g., agreements to buy or sell) - may also implicate antitrust laws if they are determined to unreasonably restrain trade, particularly if they interfere with the independent decision-making of those suppliers, customers, manufacturers, distributors and wholesalers.

There are times when LDC will buy or sell from a firm that is a head-to-head competitor of LDC - that is, a mixture of "vertical" and "horizontal." Such hybrid fact patterns - which often happen in trading businesses - can cause confusion. Clarity of expression is important; consult the LDC Legal Department to avoid issues. Government enforcers have mistaken legitimate buy-sell transactions in this mixed context as illegal collusion.

There are **three main ways** in which a company can act that may be found to reduce competition in violation of the antitrust laws around the world:

1. **Agreements With Horizontal Competitors**:

   Entering into agreements, formally or informally, with competitors in the market that lessen competition (certain of these agreements, e.g., agreements to fix prices, are automatically illegal).

   - It is common, particularly for companies involved in the trading business, for legitimate vertical buy-sell agreements to exist with companies that are otherwise competitors of LDC.

   - Competition laws acknowledge the value and importance of legitimate buy-sell agreements to the workings of market economies, but safeguards may be necessary, as described below.

2. **Monopolization / Abuse of Dominance**:

   Abusing its strong market position or utilizing market power to create or maintain a monopoly through unlawful acts (e.g., predatory pricing, exclusionary contracts) to unfairly reduce competition.

3. **Business Combinations & Partnerships**:

   Entering mergers, acquisitions, joint ventures or other partnerships that reduce or adversely affect competition.

Agreements With Competitors

Agreements and other interactions between LDC and its competitors present **the strongest risk of an antitrust law violation**.

For that reason, LDC directors, officers and employees must take particular care in any interaction with LDC's competitors.

Agreements With Competitors That Are Always Prohibited Under Our Policy

LDC's Antitrust Compliance Policy **prohibits LDC's entry into certain categories of agreements with its competitors without exception**.

These categories include:

- **Price-Fixing Agreements**: An agreement with competitors to set, raise, lower, maintain or stabilize prices or any component of price (e.g., eliminate or modify discounts), including agreements related to manipulation of commodities benchmarks. LDC employees must make all decisions regarding the price of LDC's goods and services unilaterally and independently from its competitors. Antitrust law is complex and there are exceptions to the above, but employees should not enter into any such agreements without first discussing with the LDC Legal Department.

- **Output-Fixing Agreements**: An agreement among competitors to restrict a company's production, sales or output of any good or service.

- **Agreements to Allocate Markets or to Allocate Customers**: An agreement between competitors to divide markets (such as an agreement to divide customers geographically or along product lines) among themselves. Agreements to allocate markets or customers can entail an agreement in which one or more competitors declines to compete in one sector of the market in exchange for lesser competition in another sector, and/or agrees not to solicit business from certain customers in exchange for lesser or no competition for business from other customers.

- **Bid-Rigging Agreements**: An agreement between competitors to manipulate the outcome of a bidding process. These include agreements to predetermine which of several competitors will win a bid, an RFP, or a similar bidding competition, agreements for other bidders to bid high prices so that one bidder will win, agreements to refrain from submitting a competing bid, agreements to set a method by which prices or bids will be determined, submitted or awarded, etc.

- **Group Boycotts**: An agreement among competitors not to do business with targeted individuals or firms.

- **Wage-Fixing Agreements**: An agreement among competitors to set, raise, lower, maintain or stabilize employee compensation or terms of employment.

- **No-Poach Agreements**: An agreement among competitors not to solicit each other's employees.

Agreements With Competitors That Require Advance Legal Department Approval

Other agreements require Legal Department approval prior to entering into the agreement.

While the above-listed categories of agreements are widely recognized to harm competition, certain agreements with LDC's competitors may have the potential to promote and/or enhance competition under the correct circumstances and are thus not automatically prohibited by this Policy.

However, to ensure that LDC complies with all applicable competition laws, **this Policy requires that all proposed agreements between LDC and its competitors be formalized in writing, reviewed and approved by the LDC Legal Department prior to execution, and that the LDC Legal Department be consulted as early as possible in the negotiation process**.

Potentially procompetitive agreements between LDC and its competitors may include, for example:

- **Information Exchanges and Surveys** involving competitors can assist benchmarking and other legitimate, pro-competitive efforts, but under certain circumstances have been found anticompetitive or have been confused with price-fixing arrangements. Because communications with competitors are a primary area of government antitrust enforcement and the treatment of these tools and surveys varies, employees must consult LDC's Legal Department before participating.

- **Competitor Collaborations**, including but not limited to joint research and development agreements, environmental sustainability collaborations and joint production agreements, must be approved by LDC's Legal Department prior to execution.

- **Intellectual Property License Agreements** require prior sign-off from LDC's Legal Department and include agreements that provide rights to utilize patents, trademarks, copyrights, know-how and trade secrets.

- **Mergers, Acquisitions and Joint Ventures** are legal-intensive transactions that require LDC's Legal Department review and approval. They involve numerous legal compliance issues including the handling of confidential data, due diligence, prior merger notifications to the government and substantive antitrust issues. In addition, there are a variety of corporate law issues, such as analysis of the obligations of LDC and the other parties. They also may be subject to government rules regulating foreign direct investment issues in many countries worldwide. Mergers and joint ventures can result in many effects that help our customers by resulting in lower costs, lower prices, increased innovation, more customer choice and other efficiencies or procompetitive benefits.

- **Joint Purchasing Agreements** with competitors are treated differently in different jurisdictions and must receive prior approval by LDC's Legal Department.

Sharing Competitively Sensitive Information With Competitors (Generally Not Permitted and Requires Prior Approval)

Competition laws governing competitor information exchanges vary from jurisdiction to jurisdiction, and certain jurisdictions impose stricter prohibitions on information exchange than others. Indeed, in some jurisdictions (e.g., the European Union) the mere exchange of competitively sensitive information among competitors can violate the antitrust laws.

Notably, after 25 years of government-issued "safety zones" for certain information exchanges in the United States (US), as of early 2023, there is no longer a formal "safety zone" for information exchanges in the US.

Accordingly, as a general rule, LDC's directors, officers and employees must not discuss non-public, confidential business information with competitors.

Such competitively sensitive information may include, but is not limited to, **non-public information regarding**:

- **Price**, including non-public information regarding discounts, costs, revenues, profits, profit margins, rebates, etc.
- **Output**, including non-public information on facility output and downtime.
- **Manufacturing and Production Capabilities**, including non-public information regarding manufacturing capacity, production levels, sales volumes, etc.
- **Trading Strategies**, including non-public trading positions or preferences, anticipated future commodities market conditions, the outcome of trading strategies, etc.
- **Customer/Supplier Information**, including terms of purchase or sale of goods, sales or purchase volumes, market shares, etc.
- **Confidential Product Information**, including non-public future product roadmaps or development plans, product or service offerings, proprietary product designs and formulas, research and development information, trade secrets, know-how, etc.
- **Business Plans and Strategies**, including non-public business and operating plans, marketing and advertising strategies, market allocation, distribution strategies, etc.
- **Salaries and Other Terms of Employment**, including employment benefits, bonuses, etc.

Sharing Other Information With Competitors

Under certain circumstances, the exchange of competitively sensitive information with LDC's competitors may be justified and necessary in the ordinary course of LDC's business. For example, LDC may need to obtain price information from its suppliers or provide price information to its customers, even though those suppliers or customers are also LDC's competitors.

LDC directors, officers and employees must use caution when utilizing competitive intelligence tools and industry consultants.

To the extent that LDC employees deem it necessary to share any competitively sensitive information, this should be done in a manner approved by the LDC Legal Department and any questions should be directed to the LDC Legal Department.

Please be aware that the use of or participation in industry surveys, wage surveys and other market research tools may under some circumstances be deemed to have facilitated the exchange of non-public competitively sensitive information among competitors, despite the pro-competitive potential.

Before engaging in such a survey, wage survey or market research tool, employees should consult the LDC Legal Department.

Industry Organizations and Trade Associations

Industry groups, including trade associations, can be valuable forums for LDC and other market participants to meet and discuss trends and issues facing our industry.

However, industry group meetings have also historically been venues for anticompetitive information exchanges and cartel activity among other companies.

All LDC employees wishing to attend industry group events or trade association meetings and the like must first:

- **Review this policy** and reach out to the LDC Legal Department with any questions.
- **Review the event agenda** to ensure that only appropriate topics will be discussed.

In addition, while in attendance at any industry group event, LDC employees must remain vigilant and **respect the following rules**, which are best practice in most jurisdictions:

- In formal settings, LDC employees must **publicly protest the discussion of any competitively sensitive information** (e.g., future industry pricing) and, **if the meeting participants will not cease the discussion, immediately leave.**
- **Walk away** from any interaction with competitors - formal or informal - if the competitor reveals competitively sensitive information or enquires about LDC's competitively sensitive information. Protest and leave immediately if the discussion turns to future industry pricing (e.g., if a competitor says that there needs to be "sanity" in pricing, or that "there is too much discounting," or a that the industry "needs" a price increase).
- **Immediately report to the LDC Legal Department** any incident that raises antitrust concern.

Vertical Agreements With Suppliers, Customers, Manufacturers, Distributors, Wholesalers

As a general rule, antitrust risk is greatest when a company is dealing with its competitors or potential competitors - these are "horizontal" agreements, as described above.

However, certain agreements between LDC and its suppliers, customers, manufacturers, distributors and wholesalers - known as "vertical" agreements (e.g., agreements to buy or sell) - may also implicate antitrust laws if they are determined to unreasonably restrain trade.

Agreements with exclusivity terms may violate antitrust laws under certain circumstances and the best practice is to contact the LDC Legal Department with any questions.

Legal Department approval must be obtained before entering into an agreement with suppliers, customers, manufacturers, distributors or wholesalers that contains any of the following terms:

- **Resale Price Maintenance**, or any agreement that impacts the downstream price for LDC products, including agreements that suggest resale prices or set maximum resale prices. This Policy prohibits any agreement that purports to fix the price, or the minimum price, at which LDC's customers can resell LDC products.
- **Territorial/Customer Limitations**, or agreements that restrict the geographic area in which a customer can resell LDC's products, the group of customers that a customer can resell to, the sales channel in which a customer can resell (e.g., online or offline), or the products that a customer may resell.
- **Tying Arrangements**, or any agreement that conditions the sale of one product on the purchase of another product or service.

Monopolization / Abuse of Dominant Position

There is nothing anticompetitive about achieving a strong market position as a result of competition on the merits of superior skill or products. However, it may be unlawful to gain or maintain such a position through practices that are deemed predatory or exclusionary.

In general, whenever it appears that the only apparent purpose of a practice is to eliminate a competitor or to unfairly hurt the competitor's ability to compete, the practice may be considered exclusionary or predatory. In contrast, it is legal for a dominant firm to continue to compete vigorously, as long as it competes "on the merits."

Certain categories of business strategies may present antitrust risk in markets where LDC may be considered to have a strong position.

Thus, the LDC Legal Department must be consulted if LDC employees are considering:

- Entering into **exclusive dealing agreements.** Exclusivity can lead to efficiencies and benefits such as assured supply.
- **Threatening or initiating legal action** against a competitor.
- Offering **significantly above-market rebates** or other price concessions.
- "**Tying**" the sale of a must-have or unique product to another unrelated product.

Business Combinations & Partnerships

Mergers, acquisitions, joint ventures and partnerships can be associated with significant procompetitive benefits. However, caution must be taken to avoid antitrust risk during negotiations, protect LDC's confidential business information and, where required, demonstrate to antitrust authorities that a particular transaction will not adversely impact competition.

To ensure strict compliance with applicable antitrust law, LDC employees must:

- **Consult** the LDC Legal Department **before** proposing a merger, sale, acquisition, joint venture, partnership or other business combination to another entity, or **upon receipt** of any such proposal from another firm.
- **Strictly enforce** confidentiality agreements, information firewalls, and other antitrust precautions proposed by the LDC Legal Department, such as the rules against "gun-jumping" - coordinating too closely with a merger target prior to receiving the requisite government and regulatory approvals.
- **Cooperate** with the LDC Legal Department to submit required notifications to competition authorities and/or Foreign Direct Investment authorities, and to respond to any investigation competition authorities may conduct, related to a proposed business combination.

Consequences of Violating This Policy

The consequences of violating this Policy or applicable antitrust laws may be serious both for LDC and individual employees.

Many countries engage in “dawn raids” - surprise inspections by antitrust officials. If a “dawn raid” occurs at LDC, it is important that employees do not interfere with officials. The penalties for document destruction often exceed penalties for any antitrust violation. Employees should ensure the LDC Legal Department is alerted immediately and brought to the premises to observe the raid.

Consequences of antitrust violations (of this Policy or of applicable antitrust law) can be severe, leading to grave consequences for the Company and the individuals involved:

- **Reputational Harm**. Regardless of the ultimate outcome, antitrust investigations and lawsuits often attract significant media attention and have great potential to damage LDC’s reputation and credibility - in the market and with governmental and regulatory agencies.

- **Fines**. Global companies have faced fines of hundreds of millions or billions of dollars for violating antitrust laws.

- **Criminal Liability, Including Imprisonment**. In certain jurisdictions, such as Australia, Canada, the United Kingdom and the United States (US), certain violations of antitrust laws (such as price-fixing) may be considered a criminal offense for individual officers, directors and employees. Those convicted of criminal antitrust offenses may serve time in prison or pay significant monetary fines. Antitrust enforcers have also brought criminal penalty actions against individuals for obstructing antitrust investigations.

- **Extra-territorial Reach**. US antitrust and obstruction laws (document destruction) are extra-territorial in reach, so that criminal prosecutors apply US antitrust law to conduct that occurs outside the US and regularly seek extradition of alleged antitrust violators from many governments around the world, if there is a substantial effect in the US. Private plaintiff class actions in certain jurisdictions can reach illegal agreements that have a substantial effect in that jurisdiction (e.g., the US) or otherwise have a connection to that jurisdiction.

- **Civil Liability/Damages**. LDC may also be sued by individuals, companies or classes of individuals/companies who were injured by an antitrust violation. In certain jurisdictions, such as the US, antitrust damages awards will be automatically tripled, which can mean exposure that totals hundreds of millions or billions of dollars.

- **Legal Expenses**. The cost of defending against antitrust claims or cooperating with investigations can be staggering, and directors, officers and employees are often required to disrupt day-to-day business activities in favor of assisting in the defense/investigation.

- **Disciplinary Action**. Violation of this Antitrust Compliance Policy can result in disciplinary action commensurate with the severity of the violation, up to and including termination.

Reporting Potential Violations of This Policy

All directors, officers and employees must not only comply with LDC's Antitrust Compliance Policy, but also report any suspected violations of this Policy to the LDC Legal Department.

LDC does not tolerate retaliation against any individual who reports in good faith a suspected violation of this Policy or who seeks advice regarding compliance with this Policy or applicable law.

Antitrust laws are complex and subtle, but the consequences of a violation can be severe. As stated above, this Policy should not be considered a comprehensive explanation of antitrust laws applicable in every jurisdiction.

LDC directors, officers, and employees must abide by any local competition laws and regulations, which may be more restrictive.

When in doubt about compliance with this global Policy and/or applicable antitrust law, employees should consult the LDC Legal Department before acting.

Similarly, suspected violations of these guidelines or applicable antitrust law should be reported to the LDC Legal Department.