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COMPETITION POLICY

Doc ID:	PPC-563
Version:	2
Last Review:	10Jan2023
Date:	01Jan2019
Last Review:	06Apr2022
Responsible manager:	Senior Vice President Corporate Legal
Responsible employee:	Vice President Compliance & Principle Legal Matters
Scope:	All companies and employees of GEA Group
Distribution:	GEA Intranet and emails

Contents

1. SCOPE

This policy applies worldwide to all companies and employees[1] of the GEA Group. These include GEA Group Aktiengesellschaft and all companies that are affiliated with GEA Group Aktiengesellschaft in accordance with corporate law (hereafter "**GEA**").

2. COMPETITION / RISK OF CARTEL AGREEMENTS

GEA is committed to fair and free competition. Distortions of competition adversely affect performance-oriented groups such as GEA. We impress our customers with the quality of our products, applications and services and offer these at competitive prices.

Cartel agreements and abuses of market power have serious consequences for companies and their employees worldwide. Both can lead to large fines, exclusion from calls to tender, and other official sanctions as well as claims for damages against the company. Involved employees may also face sanctions such as imprisonment, criminal and non-criminal fines that in practice often amount to their annual gross income. Employees involved in such agreements can also be held liable for damages to GEA or to third parties.

Concerning cooperation within the GEA Group antitrust law restrictions are not applicable (so-called **group privilege**). In particular, none of the companies controlled by GEA are considered to be competitors. This applies above all to companies that are 100% owned by GEA. Nevertheless, regulations under procurement law may have to be observed (cf. Section 3.6.3). In contrast, the antitrust requirements explained below apply to associated companies that GEA does not solely control, e.g. minority interests (e.g. <50%) or joint ventures held jointly with other companies (e.g. 50%), just as they do among competitors.

3. HORIZONTAL RESTRAINTS OF COMPETITION

In relation to competitors, antitrust law provides numerous rules that should ensure that competition is not limited. The prohibition of cartels encompasses agreements and concerted practices with other companies that restrict competition.

Competitors are understood to be companies whose products, possibly after supply-side switching, are substitutes from the customer's perspective or who as a potential competitor can enter the market without significant effort. The decisive factor is the (potential) activity on the same relevant market. The **Group-wide view** across all divisions and regions always applies, i.e. a normal supplier or customer can also be a competitor if a Group unit other than the one to which a contractual relationship exists competes with this supplier or customer. GEA can also be a competitor to dealers of GEA products if GEA continues to distribute these products directly to customers as well. GEA's suppliers can also be competitors if they offer the products in the downstream market.

3.1. Prohibited agreements on markets or customers

Agreements with competitors concerning the allocation and assignment of projects, territories, product areas and/or of customers or customer groups are prohibited ("non-engagement pacts"). Prohibited allocation of markets or customers does not depend upon the manner in which the assignment was carried out, e.g. according to quotas, the type and size of the customer or other factors.

It is also forbidden to conclude agreements or request other companies not to supply particular customers (e.g. particular dairies) or customer groups (e.g. the chemical industry), or not to conduct business with particular suppliers or buyers ("boycott"), e.g. through the agreement of so-called blacklists.

[1] Where the term "employees" is used, this refers to all managers and employees regardless of gender.

3.2. Prohibited agreements on prices or sales conditions

GEA sets prices independently of rivals on the basis of own commercial calculations. We make no agreements on prices with competitors under any circumstances. This general prohibition also applies to parts of prices.

In particular, agreements concerning the following data are forbidden

- sale prices;
- price components;
- rebates, discounts, bonuses or other price reductions;
- minimum prices (e.g. no sales below cost price);
- price ranges;
- target prices;
- ancillary costs;
- Price increases or reductions (e.g. general passing-through of costs for truck tolls or raw materials);
- Purchase prices that are paid to suppliers (e.g. agreement regarding the question as to how competitors should position themselves in annual negotiations – outside approved purchasing consortia, Section 3.4).

Agreements concerning other business conditions are also forbidden, e.g.

- terms and conditions (Ts and Cs);
- payment terms;
- guarantees;
- services;
- delivery and transport time periods;
- Tenders, bidding procedures and ongoing contract negotiations including the question which company provides an offer (for the possibility of joint offers Section 3.6).

Next to implicit or explicit, verbal or written agreements, “concerted practices” are also forbidden. This is understood to include all forms of coordination of market behaviour without agreement in order to limit uncertainty about the future conduct of market participants. Concerted practices take place if companies exchange confidential (not publicly available) information that makes their market behaviour easier to recognize or to predict, so that they can match one another. Such information generally includes all of those listed in this bullet point. **The implementation of an agreement or another outcome is not necessary to constitute an illegal behaviour. The agreement itself or the exchange of information is already prohibited.**

3.3. Exchange of competition-relevant information

3.3.1. General rules

Even the unilateral transmission of competitive information to competitors, e.g. concerning prices, can be seen by the antitrust authorities as an illegitimate restraint of competition and sanctioned accordingly. The authorities assume that, as a result of the transfer of information, concerted practices by competitors will follow. Proof of the opposite is very difficult in such cases. Decisive is whether the transferred information is suitable for limiting the uncertainty of a competitor’s actual market behaviour or for influencing the actual market behaviour of a competitor. Providing this sort of competition-relevant information to competitors by GEA is therefore forbidden, and the same applies to receiving such information from competitors and using it.

This can also apply if such information is made publicly available (“signalling”). If GEA receives relevant information concerning competitors from third parties, this can be legitimate if the third party is not used by a competitor as a vehicle for information exchange. Customers and suppliers may disclose information about other customers and suppliers in the context of usual negotiating strategies; **however, the systematic disclosure of such information is problematic**. **Therefore, in each case, promptly involve the GEA legal department before planned and already occurred disclosure.**

Examples of competition-relevant information that must be treated confidential include specific details about current and, in particular, future prices, costs, calculations, quantities, margins and offers, about strategic business planning, about orders, customers, contract negotiations, deliveries, turnovers and market shares, as well as about planned

innovations or investments.

There is no objection concerning disclosure of publicly (for everyone) available data; this also applies to “historical” data, from which, due to the passage of time, no inferences can be drawn any more concerning current or future market behaviour. Particular caution should be taken if competition is already limited due to the existing market structure (e.g. few providers, stable market conditions, easily exchangeable products, regional restrictions).

If a competing company discloses information, which is suitable for influencing competition, then GEA employees must make unmistakably clear that they do not want this sort of information exchange. **In addition, the incident must be reported immediately to the GEA Legal Department via the Compliance Approval Tool.**

3.3.2. Industry meetings and trade association conferences / duty of documentation

The disclosure and exchange of competitive information in the context of industry meetings or trade association conferences is also not permitted. GEA participants must check the agenda of an industry meeting or trade association conference in advance with regard to these sorts of “prohibited subjects” and, if necessary, demand changes. If during the meeting a forbidden exchange of information or a forbidden agreement is indicated, participating GEA employees must immediately protest against the treatment of these subjects. If the meeting continues uninfluenced, GEA participants must leave the meeting. **In such cases, the incident must be reported immediately to the GEA Legal Department via the Compliance Approval Tool (see 3.3.1 above).**

Every employee is obliged to archive all available documents concerning trade association memberships (membership applications, articles of association, etc.) as well as participation in trade association meetings (e.g. invitations and agendas), so that, if required, they can be checked for compatibility with antitrust rules by GEA internal audit department, GEA legal department or officials.

If GEA intends to join an association or similar organisation it needs prior written authorisation from the GEA legal department via the Compliance Approval Tool. This also applies if an employee, in the context of his activity for GEA, becomes a member of an association or similar organisation.

3.3.3. Market studies, market analyses, benchmarking and other market information systems

Participation in market studies, market analyses, benchmarking procedures and other market information systems is characterized by the transmission or collection of business-relevant information from a large number of competitors. Participation in such market information systems or procedures can be anti-competitive, if an illegitimate exchange of information (see above) takes place thereby. The reason for this is the concern that a “backflow” of competitive information occurs. To be more precise: The participants could, with the help of the “information intermediary”, be in a position to collect information regarding sensitive business data on competitors or infer such data.

In the context of such market information systems, providing commercially relevant information about GEA or receiving such information about competitors is not permitted, unless this information is:

- sufficiently anonymized (i.e. no inference concerning individual companies is possible, which generally requires the aggregation of data from a minimum of five statistically relevant contributors) and at the same time
- not future-related (no common forecasts for market relevant strategies, e.g. concerning prices and quantities); or
- publicly available to everyone anyway, or
- sufficiently old (historic, see above).

Participation in or use of such market information systems always requires the prior approval of the GEA legal department via the Compliance Approval Tool.

3.4. Cooperation with competitors

In general, cooperation with competitors is possible in various fields; for example cooperation concerning purchase or research and development could be agreed in order to enhance the use of available expertise and resources. Pursuant to the applicable principle, the permissibility of the cooperation is more likely if the cooperation is further away from the customer. Thus, a research association is more permissible than a joint distribution association. distribution. Special forms of cooperation are working groups, bidding syndicates and consortia, for which the rules in Section 3.6 apply.

Cooperation agreements can lead to a concentration of market power and thus to restrictions of competition. Pursuant to antitrust law, any agreement containing a restriction of competition that is not directly connected to the actual cooperation (such as customer allocation or price component agreements) or leads to a significant restraint of competition is prohibited. The assessment of legal permissibility with regard to cooperation with competitors frequently depends upon the market share of the competitors involved and a list of further factors, e.g. the special content or the object of the agreement. **Generally, all forms of cooperation with competitors require the prior approval of the GEA legal department via the Compliance Approval Tool, insofar as nothing else arises from Section 3.5 (trade supplies). Please note that with a view to clearly demarcating an illegal agreement from a legal cooperation, complete documentation is necessary (e.g. in an agenda) and the exchange of information may only refer to data that is absolutely necessary for the cooperation ("need to know" principle).**

Prior approval by the GEA legal department is especially required for:

- joint venture contracts or participation in other joint ventures with competitors;
- license agreements with competitors;
- joint production with competitors;
- joint purchase with competitors;
- engaging a competitor as a toll manufacturer or subcontractor, or a competitor who engages GEA as a toll manufacturer or subcontractor;
- joint offers with competitors in tenders (bidding consortiums) as well as any attempt to contact a competitor in respect of a tender, bidding process or ongoing negotiation;
- Agreements with a competitor regarding specialisation (e.g. agree with a competitor that one party ceases its production of a particular product and then purchases this product from the other party);
- joint research and development (R&D) with competitors;
- joint definitions of requirements and standards (quality, material, design etc.); these can often be subject to meetings of industry associations, so that the requirements of policies under Section 3.3.2 must be observed.

3.5. Supply among competitors ("trade supplies")

One very relevant type for GEA in practice is purchase from competitors and supply to competitors ("trade supplies").

Such trade supplies are allowed in principle if they are carried out based on customer's specification. Trade supplies are further allowed if

- the overall process corresponds to "normal" supplier contracts with non-competitors, and
- it relates to individual projects or orders.

Having said that, the exchange of information carried out with the competitor must be limited to the specific components intended to be purchased and is indispensable for implementation of the business (i.e. the general exchange of price lists and other conditions is prohibited, Section 3.3).

Trade supplies in both directions require the prior approval of the GEA legal department via the Compliance Approval Tool if they are agreed in the form of long-term supply agreement (i.e. agreements that extend beyond the occasional individual case, e.g. framework agreements, supply and subcontract agreements). This also applies if the contracting parties do not compete directly, but a company in either the supplier's or the customer's Group directly competes with the contracting party (see competition definition under paragraph 3).

3.6. Working groups, bidding syndicates and consortia

For the creation of a working group (group), a bidding consortium (syndicate) or a consortium, the specific requirements of the respective tender as well as procurement law often have to be observed.
The following apply:

3.6.1. Admissibility of creating working groups, bidding syndicates and consortia

Project-specific cooperation in the context of a working group, bidding consortium or consortium with companies, which due to their business activity do not compete with GEA, is allowed in every case (e.g. working group or bidding consortium with a company specialized in heavy transport).

The creation of a bidding consortium or consortium with competitors is only in line with competition law if GEA and the partner respectively cannot carry out the contract alone or, for significant economic reasons, would not apply for the contract on their own. This particularly excludes GEA from applying both as a partner in a working group, bidding consortium or consortium and on its own for the same contract.

Legitimate reasons for GEA not to carry out a contract on its own may include the lack of resources required for the project, such as

- qualified personnel,
- expertise for required technical knowledge and procedures,
- equipment and materials,
- baselines and approvals, language skills, or
- lack of capacity.

Lack of capacity can also arise when GEA has submitted or will submit offers for other projects and that there is a distinct probability that offers will lead to contracts which would tie up capacity. Concerning capacity the resources that are available in the GEA Group as a whole should be considered, insofar as their use makes economic sense.

Important commercial reasons not to go after a contract alone could then be given if, for example,

- implementing the contract raises the expectation of a positive commercial result if it goes well, but if it fails, the imminent risks could lead to a significant loss;
- equipment and machinery required to carry out the contract cannot be written off and their further use is uncertain;
- a customer explicitly requires the formation of a bidding syndicate (as far as this is documented).

Illegitimate reasons for the creation of a bidding syndicate are, for example:

- improvement of the competitive environment,
- balancing out bidders' interests,
- ensuring the equal utilization of market participants' capacities,
- obtaining a view of the competition's calculations.

The creation of working groups, bidding syndicates or consortia with a competitor requires the prior approval of the GEA legal department via the Compliance Approval Tool, taking into consideration the documentation obligations under Section 3.6.2.

Approval from the GEA legal department via the Compliance Approval Tool is equally required if GEA in the context of tenders and bidding procedures will be acting as a subcontractor for a competitor or will engage a competitor as a subcontractor (Section 3.5 above).

3.6.2. Assessment and related documentation

Prior to participation in a bidding syndicate or consortium its permissibility under antitrust law must be checked by using the above criteria. The performance and results of this assessment must be documented by the responsible

project staff before the GEA legal department can approve participation in a working group, bidding syndicate or consortium on this basis. The documentation must clearly and specifically record why GEA cannot carry out the contract alone or for significant economic reasons would not apply for the contract on its own.

If according to internal policies a formal approval or Board submission is additionally needed for the project, it must be noted therein that the permissibility of the working group, bidding syndicate or consortium according to this Competition Policy has been checked and affirmed and approved by the GEA legal department.

If a permissible working group, bidding syndicate or consortium exists, the exchange of competition-relevant information within it is only allowed insofar as this is essential for the joint performance of a contract, i.e. the exchange must be limited to the minimum amount necessary.

3.6.3. Participation of sister companies in procurement or tender procedures

Attention must also be paid to parallel participation of GEA companies as competitors in a procurement or tender process: Under procurement law, public tenders require separation in the same way as with independent competitors; private competitive procedures can have similar rules. **Therefore, promptly involve the GEA legal department before participating in parallel with different companies of GEA Group in bidding processes and tenders.**

4. Vertical restraints of competition

Dealing with customers and suppliers, i.e. across different production and trading stages, a company has more room to manoeuvre than with regard to competitors. Nevertheless, there is also a large number of agreements in this area with potential relevance to antitrust law.

4.1. Influencing resale prices

In this respect, the following applies to the relationship with all GEA customers who intend to resell GEA products, i.e. distribution partners such as wholesalers and retailers as well as general contractors:

4.1.1. Fixed or minimum resale prices

The setting of fixed or minimum resale prices is forbidden. Such actions are defined as resale price maintenance (“RPM”) and are very critical under antitrust law. Therefore, GEA may not enter into contracts with the end customer on behalf of the reseller, conduct price negotiations with end customers on behalf of resellers, or participate in such negotiations. This is different to the fundamentally permissible communication of recommended resale prices (“RRP”), if GEA does not influence actual compliance with its recommendation. The basic rule is that a RRP may be announced and explained, but a new reference to it may be made only once.

4.1.2. Monitoring systems for resale prices (monitoring)

Indeed, the monitoring of resale prices is not always forbidden. However, knowing of the existence of such systems can lead to de facto price maintenance (since resellers could feel “under pressure”) and will very probably also draw a significantly critical observation by the authorities.

Therefore, prior approval by the GEA legal department via the Compliance Approval Tool is required for the introduction and use of systems to compile and monitor resale prices or other forms of monitoring.

4.2. Influencing the resale

Agreements are critical under antitrust law if they limit customer’s (e.g. distributors) resale of the products obtained. Corresponding limitations can affect

- the territory in which the customer may resell, or
- particular customers/customer groups to whom resale is permitted.

The admissibility of resale agreements depends upon several factors (e.g. distribution organisation, market position). These must be checked carefully in each individual case. Restrictions on resale are, if at all, only exceptionally possible under very narrow conditions.

Impermissible measures also include indirect measures, such as

- Reduction of discounts or bonuses or denial of their provision if deliveries are made to particular territories/customers;
- stop or limit the supplies (e.g. upon request within the territory or the customer group whereat the seller should be restricted);
- threaten to terminate a contract; or
- set up a monitoring system for product distribution (e.g. by using different labels, serial numbers, or designing individual brands for individual distribution channels in order to control or monitor actual delivery destination for the goods in each case).

All agreements restricting GEA customers from reselling purchased products require prior approval from GEA's Legal Department via the Compliance Approval Tool. This does not apply to agreements with companies within the GEA Group (see 2 above on Group privilege).

4.3. Exclusivity agreements and MFN clause

Contracts that fall under exclusivity agreements are those in which, for example

- a customer (e.g. dairy farming) whose requirements for particular products are met exclusively by GEA in whole or in large part (exclusive purchasing agreement), or
- a supplier whose products are exclusively distributed through or delivered to GEA (exclusive distribution/supply agreement) or who is subjected to a non-compete clause and a prohibition of direct supply, or
- GEA undertakes to exclusively supply one customer or to purchase goods exclusively from one supplier.

The admissibility of such a tying supply or exclusivity agreement, even if neither of the companies involved has market dominance (Section 5 below), depends upon numerous factors for each individual case. Such factors may be, for example

- the share of supply and demand covered,
- the duration of the agreement,
- their commercial necessity / reasoning, and the
- market share of the parties.

MFN clauses are understood to be a guarantee by the supplier not to give other customers better or knowingly give them worse contract terms, or rather to alter contract terms as soon as he grants better contract terms to another customer.

So-called "naked non-competition clauses", i.e. without reference to a concrete neutral legal relationship with the supplier or customer, are prohibited. Post-contractual non-competition clauses are only possible in exceptional cases and can generally not be agreed for a term longer than one year. The conclusion of (i) (almost) exclusivity agreements (where the cumulative amount of obligation ≥ 80% of total demand), (ii) non-compete clauses and prohibitions of direct supply, (iii) and equally long-term purchase commitments (of more than five years with a cumulative amount of obligation ≥ 50%), as well as (iv) the agreement of MFN clauses with suppliers and customers, require prior approval from the GEA legal department via the Compliance Approval Tool.

4.4. Engagement of sales agents

Under antitrust law, a so-called privilege applies to sales agents, which by way of exception allows to specify prices and customer selection for third parties without being a cartel, because in this extent they are considered as dependent “longa manus” of the principal. For this, the commercial agent must

- be exempted from any business risk except its commission (“real” sales agents), and
- may not act as an independent dealer or provider in the same market at the same time.

In addition, a sales agent cannot represent two or more competitors in a bidding process or contract negotiation at the same time.

Involvement of sales agents or commission agents who

- **are expected to bear independent commercial risks (e.g. storage and goods handling risks),**
- **are also independent dealers or providers, or**
- **also act on behalf of other competitors,**

must therefore be coordinated in advance with the GEA legal department. Equally, approval from the GEA legal department must be requested if GEA should act as a sales agent for a third party. Therefore, involve the GEA legal department in respective cases in good time. Entering into sales agent consulting agreements requires approval under the Third Party Policy through the Third Party Tool.

5. Abuse of a dominant market position

Like its competitors (and every other undertaking), GEA strives for a strong market position. This is legally permitted. However, if GEA would achieve a dominant market position then certain additional (stricter) antitrust rules apply. If a dominant market position exists then abusive behaviour is forbidden. Market dominance means the ability to act in a market independently of pressure from competitors or suppliers. A **market share of about one third**, or the dependence of smaller companies on one large company, may already be relevant under antitrust law. A dominant market position is also possible in absolute niche markets. For example, a machinery builder can have a dominant market position for (original) spare parts, if the market share of other providers is negligible or other providers do not (or cannot) offer spare parts at all.

“Abuse” of such market dominance includes

- unfair behaviour towards suppliers or customers and/or
- Agreements that due to their effects upon suppliers or customers harm the competitors of the company holding the market dominant position.

Firstly, the assessment of the market position requires a definition of the relevant market, which often is a difficult task. Many factors need to be taken into account for this definition. Market position essentially depends upon the question which products or services are exchangeable from customer’s view.

The assessment of the question whether a particular behaviour constitutes abusive behaviour or not, often depends upon a complex legal and economic analysis.

Therefore, always refer to the GEA legal department if you see signs that GEA could have a dominant market position in individual areas, in particular if the respective market share is estimated to exceed 30%.

6. Further information & contact

You can find more information about the GEA compliance program here:

https://www.gea.com/de/company/investor-relations/corporate-governance/compliance/index.jsp

GEA employees can find the GEA Code of Conduct and the GEA Group Policies, such as the Integrity Policy, the Competition Policy and the Third Party Policy, as well as other regulations that are important for the employment type, on the **GEA Intranet**.

For questions regarding all compliance matters, please contact

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Revision History

Date	Review and Revision
1 June 2020	Review without changes.
1 June 2021	Review without changes.
6 April 2022	Insertion of further clarification of characteristics of competitors, reference to the approval and notification requirements via the Compliance Approval Tool, inclusion of the reseller prohibition and the prohibition of "naked" non-compete obligations, approval obligation for sales agent consulting agreements via the Third Party Tool.