

GLOBAL
ANTITRUST AND
COMPETITION
POLICY

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Campari Group competes on merit and succeeds in business because of the quality and distinctiveness of its products, as well as its ability to market and sell them. Camparistas do not seek any business advantage by violating competition rules.

This policy is a practical tool aimed at summarizing the rules and conduct that Camparistas must follow in performing their activities to avoid violating competition law.

1. Why have a policy?

Dealing with customers and suppliers, as well as having occasional contacts with competitors, require specific compliance with competition rules wherever we operate. A breach of competition law may attract significant penalties for both Campari Group and the involved Camparista; such penalties vary depending on the jurisdictions concerned and for individuals, these may include monetary sanctions, criminal penalties (including imprisonment), and disciplinary actions (up to and including termination of employment). For Campari Group, penalties may include fines (often up to 10% of the group's turnover), civil damage claims, unenforceability of commercial agreements, as well as reputational damages and legal costs.

2. What is competition law?

Competition law means the set of rules aimed at protecting and fostering fair competition and proper market functioning, in the interest of both competitors, customers, and consumers.

The main purpose of competition law is to create a level playing field between companies so that they can compete effectively and fairly.

Competition law targets three main situations which are: anticompetitive agreements, abuse of dominance, and mergers and acquisitions.

We will cover below two types of conducts or behaviors which are:

- A.** Agreements
- B.** Unilateral conduct and/or abuse of dominant position.

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A. AGREEMENTS

1. Which agreements are involved?

Competition law distinguishes between “horizontal” and “vertical” anticompetitive agreements or practices. Any agreement, regardless of whether it is written or not, or even coordinated behavior that aims to or has the effect to prevent, restrict, or distort free competition, could be relevant.

“**Horizontal**” agreements mean between competitors.

“**Vertical**” agreements refer to agreements between companies operating at different levels of the supply and distribution chain.

2. Horizontal agreements: Contact with competitors (including exchange of sensitive information)

Any direct or indirect contacts or communications with competitors shall be managed with the utmost attention to competition rules. Cartels and collusion amongst competitors represent the most serious breach for competition authorities worldwide. Contact your Legal & Compliance Department whenever you have any doubt.

Key warnings

- No formal/informal agreements may be entered into - directly or indirectly - with any competitors on any occasion unless an explicit authorization has been granted by the Legal & Compliance Department.
- Prohibited topics for all agreements are those with the intent or having the effect of:
 - (i) preventing, restricting or limiting production, capacity or supply of goods or services;
 - (ii) sharing customers, territories or products;
 - (iii) bid rigging (this occurs when there is an intentional and unlawful formal informal agreement between competitors to reduce competition in a bidding process which unfairly determines the bid winner);
 - (iv) restricting or limiting which employees may be recruited or not; and/or
 - (v) price fixing.
- Agreements with the effect of fixing prices must never be entered into, as they constitute the most serious antitrust infringements.
- No commercially sensitive information (in the meaning described below) may be discussed or exchanged, directly or indirectly, formally or informally, with competitors whether by phone, in-person, chat, email, etc.
- Do not attend or if already in attendance immediately leave any (trade association or other meeting) if prohibited topics are being discussed and insist that your non-attendance or departure is reflected in the minutes. Inform your Legal & Compliance Department without delay.

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2.1 What is a commercially sensitive information?

Commercially sensitive information is any strategic information not publicly available, that, if disclosed, may influence Campari Group's - or its competitors' - commercial behavior, including, for example:

- Prices and other terms of sale (e.g., discounts)
- Margins
- Production volumes and marketing/sale strategies
- Pipeline products, future investments, research programs, marketing programs, if not yet publicly disclosed
- Costs, production plans, utilization rate/capacity of the plants
- Budget and business plans
- Customers, suppliers, and competitors



Please note that even one isolated contact with competitors, directly or via a third party, regarding only one of the above topics may amount to unlawful conduct. For instance, even one single instance of discussion with competitors concerning future prices may constitute an antitrust infringement.

EXAMPLE: *Sharing COMMERCIALLY sensitive information*

In trade association meetings, some members keep in touch via Facebook as part of a private group. It is predominantly a networking forum, but sometimes members post details of upcoming discounts and promotions on their aperitifs ranges as a kind of courtesy "FYI". While no member is bound to post this kind of information or commits to act upon it, almost every time someone does, the others seem to run similar promotions in the same period.

IS THIS A PROBLEM?

Yes. This kind of regular sharing of commercially sensitive information by competitors, in the absence of a legitimate commercial need, could be considered as an unlawful concerted practice, since it may lead to price coordination.

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2.2 Participation in trade association meetings

The participation of Campari Group in trade associations is, as a matter of principle, fully legitimate. However, particular attention must be paid to the topics of the agenda and when the trade association requests its members to provide individual figures (e.g., data on prices, sales and costs), even to be used for statistical purposes.



In general, publishing statistics on costs, sales or prices is acceptable from an antivirus standpoint, provided that they are based on historical (at least 12 months old) and aggregated data exclusively. In this respect, please note that the disclosure of prices and costs of Campari Group to a trade association should be carefully assessed, in advance, with the assistance of the Legal & Compliance Department, to avoid any potential antitrust infringement.

Trade associations should never constitute a forum for the exchange of commercial sensitive information and coordinating market conduct, even if this happens in “off-the-record” discussions, unless the data are historical and aggregated and the relevant disclosure is approved by the Legal & Compliance Department.

Key warnings

When participating in trade association meetings, always pay attention to the following:

- Make sure that a written agenda is prepared before any meetings and, if anything sounds odd, share it with the Legal & Compliance Department in advance
- In case of any doubt as to the legitimate nature of one or more of the items of the agenda, refrain from attending the meeting
- Keep precise notes of the meetings
- Make sure that all discussions are duly recorded in writing
- Do not discuss topics outside the agenda
- Do not participate in bilateral/multilateral meetings in which competitors discuss commercial sensitive topics
- If during a meeting of a trade association commercial sensitive topics are discussed explicitly object and oppose the discussion and inform your Legal & Compliance Department immediately
- If the conversation does not cease, leave the meeting if prohibited matters are discussed and insist that your non-attendance or departure is explicitly recorded in the minutes of the meeting and inform your Legal & Compliance Department immediately

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EXAMPLE: EXCHANGING INFORMATION VIA TRADE ASSOCIATIONS

On behalf of Campari Group, an employee attends a social event hosted by a trade association. During the event, a competitor complains about a particular retailer, which has failed on multiple occasions to pay its accounts on time. Other competitors' representatives share similar experiences, others sympathize. Following the event, one of the representatives circulates details of the retailer suggesting that it should be added to a "blacklist". A number of retailers subsequently do not renew their supply agreements with that retailer.

IS THIS A PROBLEM?

Yes. This kind of conduct could amount to competitors agreeing not to supply (or, in other words, to jointly "boycott") a retailer and, as such, qualifies as an unlawful restrictive agreement or concerted practice. Please do not participate in discussions where confidential information is shared. If you choose to stop supplying a specific retailer, make sure you have legitimate commercial reasons for doing so and check with the Legal & Compliance Department. Make sure you document these reasons, and ensure that your decision is made independently.

2.3. Market Research Organisations and Statistics

Market research organisations often gather the details of their members to compile statistics, carry out market research, and facilitate benchmarking. This can lead to an unlawful indirect exchange of information via the research organization itself.

Do not pass on any confidential information like raw business data to associations or market research organisations without the prior consent of the Legal & Compliance Department. Such information may only be forwarded or published anonymously in aggregate form. In this regard, tight competition limits shall be observed, making an evaluation necessary for each individual case.

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3. Vertical agreements: Dealing with customers, distributors and suppliers

Certain types of arrangements with customers, distributors, or suppliers may violate competition rules. Contact your Legal & Compliance Department whenever you have any doubt.

Key warnings

In dealing with your customers and suppliers DO NOT:

- Directly or indirectly impose fixed or minimum resale prices to the distributors. Conversely, it is allowed to suggest/recommend resale prices (provided that it amounts to a “genuine” suggestion/recommendation). In some countries, it may be acceptable to impose maximum resale prices so please consult with your Legal & Compliance department.
- Impose fixed margins or the maximum level of discounts on the distributors’ resale prices
- Discuss with distributors the pricing or marketing activities of other distributors (including when the distributor complains about the resale policies of other distributors)
- Prevent distributors from accepting orders from outside their territory/customer group without consulting with your Legal & Compliance department
- Require customers to purchase minimum quantities or complete ranges of products
- Make the purchase of one product conditional upon the purchase of another product
- Attempt to limit the distributor’s freedom to buy or sell competitors’ products
- Terminate or refuse to sell to an existing distributor without consulting your Legal & Compliance department
- Require/grant exclusivity to a distributor or supplier without consulting your Legal & Compliance department



EXAMPLE: *Supplier pricing*

Campari Group provides its customers with a list of recommended resale prices (RRP). A Campari Group representative becomes concerned about a particular wholesaler, which has been heavily discounting its products. Such representative requests the wholesaler to keep prices at “the same price applied for the products of Campari’s competitors”.

IS THIS A PROBLEM?

Yes. This conduct constitutes resale price maintenance, which is prohibited. While Campari Group can legitimately provide its customers with RRP lists, the lists must be genuine recommendations. Any attempts to control the resale price might qualify as an antitrust infringement.

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B. UNILATERAL CONDUCTS/ABUSE OF DOMINANCE

1. What is a dominant position?

A dominant position is a position of economic strength which enables a company to prevent or distort effective competition on the relevant market and thus allowing the dominant company to behave, to an appreciable extent, independently from its competitors, its customers, and ultimately the consumers. In case of a dominant position in a certain market, a company must exercise extra caution in how it does business and how it interacts with customers and suppliers to avoid unilateral conduct representing an abuse of dominant position.

Key warnings

While Campari Group is a relevant player in the beverage alcohol industry, it does not enjoy a dominant position in any market. Regardless, Campari Group does not support the following practices:

- Apply extremely burdensome contractual obligations, which are not determined or dependent on the quality of the products concerned or their market value
- Apply prices that fall below certain cost parameters (e.g. predatory pricing), as they may have the effect to foreclose competitors
- Refuse to deal with a supplier/customer without business justifications, especially in case of an existing supplier/customer
- Enter into exclusive dealing arrangements without consulting with the Legal & Compliance Department
- Grant any kind of fidelity or loyalty rebates (including conditional, selective, and target discounts/bonuses). Conversely, in principle, volume (linear) discounts do not generally raise antitrust concerns
- Carry out tying/bundling conduct, i.e., making the sale of a product conditional on the purchase of separate and distinct products, or offering two or more products at a lower price than the price that would be paid if these products were purchased separately
- Apply discriminatory treatment (treating similar transactions differently, e.g., by charging one customer materially more than a similarly placed customer for the same quantity of the same product), without consulting with the Legal & Compliance Department about objective and/or legal justifications for such differential treatment

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2. Internal documents

Internal documents (both paper and electronic) are often very important evidence in an anti-competition investigation. Competition authorities have wide powers and can access all paper and electronic documents or conversations (even via messaging systems, internal or external). Therefore, it is extremely important that all Camparistas exercise due care in drafting documents and general correspondence.

Key warnings

Each Camparista should always use accurate and well-chosen terms, and avoid misleading expressions.

DOs:

- Carefully document any source from which information concerning competitors was obtained, e.g., if during a presentation you are displaying competitors' figures always quote the public source/ annual report from which such data are extracted
- Write any documents in a clear and proper manner and avoid speculations on antitrust issues, including statements that may suggest the existence of unlawful conduct
- Treat every document as if it will be read by an enforcement official and assume that electronic versions of documents (including emails) will remain on the system indefinitely and will be available in future investigations (since they can be retrieved through specific software)
- Ask the Legal & Compliance Department to review documents that might have antitrust relevance and send all correspondence received directly from a competitor, which deals with competitively sensitive information, to the Legal & Compliance Department.

DON'Ts:

- Write anything that could be misconstrued and give the appearance of improper conduct vis-à-vis competitors, business partners, and customers, or use "red flag words", e.g., "market power", "dominant position", or "we have consulted with the market"
- Exaggerate Campari's market position or market power, e.g., "we are dominant in this area" or "competitors are scared and will follow our prices"
- Use aggressive expressions, such as "drive competitors out of the market", "teach [a competitor] a lesson"
- Use language that could suggest coordination with competitors, e.g., "discussed with competitors", "lost customers", or qualify a competitor's lower prices as "unethical", or refer to a trade association as a "club"
- Use expressions suggesting guilt, such as "destroy after reading", or "top secret"; such terms are generally useless and attract attention
- Destroy any document or other piece of evidence, as the penalties for doing so are often greater than the penalty for what may have been said in that document.

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ENFORCEMENT OF THIS POLICY

1. Recipients, Availability, Training

This Policy applies to Campari Group’s directors, auditors, employees, suppliers, consultants, contractors, and business partners.

The Policy is available on the Campari Group Intranet and on Campari Group’s official corporate website.

All Camparistas and new joiners must undertake the general e-learning training on this Policy. Certain functions or groups will be required to attend additional specific trainings.

2. Where to seek advice or further information

The Legal & Compliance Department is your first point of contact if you have questions or concerns regarding the contents, interpretation, or application of this Policy.

3. Our Compliance Management System

The Legal & Compliance Department is your first point of contact if you have questions or concerns regarding the contents, interpretation, or application of this Policy.

Organization: the Legal & Compliance Department oversees compliance management, counseling and support in Campari Group at Global, Regional, and Country Level. However, Compliance management is a shared responsibility of all Camparistas, so each and every Camparista plays a key role to ensure the effectiveness of this Policy.

Policies and Procedures: Campari Group adopts Global, Regional, and Local policies and processes in order to provide guidance on compliance matters. Policies are intended to provide general principles or rules of conduct, while processes describe how a specific activity should be conducted. These documents will be available on the Campari Group Intranet, some also on the camparigroup.com web sites.

Each Camparista should be familiar with all policies and processes applicable to their role.

Training and Communication: the Legal & Compliance Department, in cooperation with HR and Communications, is responsible for ensuring proper integration of compliance policies and principles in the business and general day to day operations through adequate training and communication initiatives. Each Camparista should actively participate in relevant training sessions (in person or e-learning), as well as pay attention to communication in this area.

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Monitoring and Reporting: Campari Group will establish monitoring and reporting systems to support integration into the business and general day to day implementation of compliance policies and principles. Each Camparista is required to actively support monitoring activities.

Audit: compliance policies and application of principles will be subject to dedicated audits and be part of the integrated compliance management process at Campari Group. Each Camparista is required to actively support audit activities.

4. Breach of this Policy

Breaches of this Policy may result in disciplinary measures with the potential for termination of employment, according to the nature of the breach. Any non-employee Camparista who breaches this policy may have their contract terminated with immediate effect. This policy does not form part of any employee’s contract of employment and may be amended from time to time.

5. Whistleblowing

If you see something that is or may be in conflict with any provision of this Policy, please speak up!

You may address your concern to your line manager, to another manager that you trust, to the HR Department, to the Legal & Compliance Department, or use the Campari Group Safe Line under the Whistleblowing Policy. Campari Group Safe Line is your “safe harbour”, which ensures that your notification is treated with confidentiality in accordance with the Whistleblowing Policy and, if so requested, you may remain anonymous. You can always choose to go straight to the Campari Group Safe Line without reporting any matter internally. For more information please see the Legal & Compliance Section on our intranet.

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