



## Global Competition Laws Policy

**SCOPE:** This Global Competition Laws Policy (“Policy”) applies to employees and agents assisting with sales to customers on behalf of TriMas Corporation and its subsidiary companies (collectively, the “Company”) at all locations. This Policy may be modified at any time as deemed appropriate in the sole discretion of the Company.

**PURPOSE:** The purpose of this Policy is to ensure that:

- The Company complies with competition laws in all countries where it conducts business (also known in some countries as antitrust laws); these are laws that protect the Company, its customers, and the public against practices that can restrict trade and reduce competition;
- The Company’s employees and agents have information about competition law principles, and can recognize competition-law issues and risks that might arise in the course of their duties; and
- The Company’s employees and agents understand when to contact the Company’s legal department for advice in order to comply with competition laws and Company policy.

### **POLICY:**

- 1. What are competition laws?** Competition and antitrust laws protect the right of each company to compete on the merits of its products and the right of consumers to benefit from competitive choices and prevent conduct that interferes with the normal economic effects of supply and demand in a free market. Most of the countries in which the Company operates have competition or antitrust laws and trade regulations. While these national laws differ in some details, the general principles are consistent:
  - A. Competitors are obligated to compete in good faith.** Competitors cannot agree, collude or conspire to:
    - Fix prices;
    - Rig or rotate bids;
    - Divide up customers or sales territories;
    - Exclude other competitors, for example by refusing to deal with them or by setting exclusionary product standards; or
    - Participate in a cartel of companies that restrict competition.
  - B. A company that has “dominant” or “monopoly” power may not use that power to exclude competitors or obtain an unfair competitive advantage.** For example, a company that has dominance in a particular product may not “tie” the sale of that product to the customer’s purchase of a second product where the faces stronger competition.
  - C. Suppliers may not impose anti-competitive restrictions for the resale of their products.** Some countries prohibit restrictions on the prices that dealers or distributors charge (maximum or minimum), the territories in which they can sell or the customers that they may serve. In other countries, these restrictions are subject to review to determine whether they unreasonably limit customer choice. Exclusive agreements with customers or suppliers are also subject to review for their effect on competition.
  - D. Antitrust enforcement agencies review mergers, acquisitions, and joint ventures to assess the competitive impact.** For example, agencies review a merger of two large competitors or a manufacturer’s acquisition of one of its largest suppliers.
  - E. Price discrimination prohibited.** A supplier may not discriminate in the prices it charges to competing dealers or distributors for goods it sells under comparable conditions or discriminate in the promotional and advertising services or allowances it provides to competing resellers.

## 2. What is the best way to avoid violations of competition law?

### A. Never:

1. Make or propose an agreement or understanding, orally or in writing, with any competitor, dealer or distributor about prices to be charged, bids to be submitted, sales territories, allocation of customers, terms of sale, capacity, volume, costs, profits, market share, or service offerings. For example, one supplier acts as a price leader on the implied understanding with other companies will follow its price increases. That pattern of behavior might be an illegal agreement to fix prices. Consult the legal department related to formal agreements with dealers or distributors that are not an approved form legal agreement.
2. Discuss with competitors about prices, bids, sales territories, allocation of customers, terms of sale, capacity, volume, costs, profits, market share, and service offerings.
3. Make or propose an agreement or understanding with anyone (competitors, agents, suppliers, or customers) to submit a bid for any purpose except to win the business: no “cover quotes” or false bids.

### B. Avoid:

1. Contacts of any kind with competitors that could create the appearance of improper agreements or understandings. For example, if a competitor (perhaps someone a Company employee meets at a trade show or a former co-worker) raises one of these subjects, the employee should stop the conversation and walk away. See the guidance below about making a record to protect yourself and the Company.
2. Gathering competitive information in a manner that could create the appearance of improper agreements or understandings. For example, suppliers who sell through the same dealers should not ask them to exchange each other’s price lists.
3. Sending e-mails or letters that include information that could create the appearance of an improper agreement, an exchange of competitive information, or that inaccurately describes competitive conditions or plans. For example, employees should not describe any company as being “dominant” or describe a “market” or “market share” without prior legal review. These are technical terms of competition law and must be used precisely.

Note: Any kind of agreement or understanding with a competitor that relates to business activities that reduce competition is illegal. No formal or written agreement is necessary, and verbal arrangements or implied understandings can be sufficient to establish a violation.

### C. Plan in advance about the following activities and seek legal assistance when necessary:

1. Dealings with competitors who are also customers, suppliers, or joint venture partners for research, production, sales, or other purposes. Employees must make sure that the parties stick to approved subjects, and there are no discussions or understandings about areas where the companies compete. The legal department should be consulted if you have any concerns about the meeting agenda and records of meetings and transactions.
2. Participation in trade associations, industry conferences, standards-setting, and government advocacy activities with competitors. People from other companies might not stick to approved topics. Trade association members might want to share competitively sensitive information or might want to set standards that some competitors claim are exclusionary. Even attendance at trade show where competitors are present can create risk. The legal department should be alerted of any events that might create the appearance of illegal activity. Any presentation you plan to make at a trade association or industry meeting should be approved in advance by the Company’s legal department.
3. Gathering competitive information or participating in surveys or “benchmarking”, for example, through resellers, trade associations, industry groups, or consultants. Information about competitors’ prices and competitive plans are most sensitive; historical sales statistics are generally less sensitive. While participation in limited survey or “benchmarking” programs can enhance efficiencies and reduce costs in the industry, such participation should involve careful planning, control and execution within the parameters given by the legal department.

4. Distribution and resale agreements with resellers about pricing, territories, and/or customers. As discussed above, in some countries such restrictions violate competition laws; in other countries, they are subject to legal review for unreasonable restriction of competition.
5. Mergers and acquisitions. The competition law authorities of the countries where the companies involved conduct operations must be considered. Each party must submit data about its business operations and either wait for approval, or if approval is denied, challenge that decision in court.

**D. Keep records to demonstrate that no laws were violated. Records might include:**

1. The legitimate sources of competitive information, for example, public sources or methods reviewed by the legal department.
2. Agendas and notes or minutes of meetings with competitors that confirm only approved subjects were discussed.
3. Incidents where a Company employee rejects an overture by a competitor to discuss sensitive information. It might be useful to have a letter from the legal department confirming the rejection.

BOTTOM LINE: Any meeting or discussion with a competitor carries the risk that it will be viewed as evidence of improper behavior.

**3. What are the consequences of violating competition laws?**

- A. Criminal and monetary penalties. In some countries (for example, the United States), the laws against price-fixing, bid rigging, and other agreements and conspiracies not to compete are criminal violations. The United States Department of Justice (“DOJ”) prosecutes *both the company and individual employees*. In addition, federal and state governments, and private plaintiffs can seek injunctions or sue for triple damages. Other countries levy severe fines, such as in the European Union fines can be as much as 10% of a Company’s total annual revenues.
- B. “Blow the Whistle” is protected. The enforcement agencies of many countries encourage members of an illegal agreement to “blow the whistle” on other participants. The company that makes a disclosure of a cartel, a price fixing conspiracy, or bid rigging arrangement is entitled to amnesty and the other participants are subject to prosecution or fines.

For this reason *it is critical* that you notify the legal department immediately if you suspect a violation of law. The Company will quickly investigate and determine appropriate action.

- C. If there is a visit from legal authorities to a Company facility, employees should notify the legal department immediately, and should also cooperate with the authorities. The competition authorities of various countries cooperate in the investigation and prosecution of competition law violations that cross national boundaries.

**4. Where is more information about competition laws available?** The websites of national enforcement agencies provide information about the laws, recent cases, and enforcement policies. Among the available sites are:

- The DOJ Antitrust Division: <http://www.justice.gov/atr/>
- The European Commission: [http://ec.europa.eu/competition/index\\_en.html](http://ec.europa.eu/competition/index_en.html)
- The DOJ link to global websites: <http://www.justice.gov/atr/contact/otheratr.html>

**5. Reporting Violations of the Policy:** All employees are responsible for ensuring compliance with this Policy. Violations must not be ignored, hidden or covered up. To the extent that an employee becomes aware of a violation of the Policy, the employee should discuss the issue with his or her manager, the human resources department, the legal department, or can report the concern on the Ethics Helpline, found at [www.tnwinc.com/trimascorp](http://www.tnwinc.com/trimascorp).