

# Sequa Petroleum N.V.

## Group Competition/Antitrust Law Compliance Policy

Sequa Petroleum NV (**Sequa**) is committed to complying with all applicable laws, including any relevant competition/antitrust laws which apply to its business. Sequa's senior management endorse this policy. Individuals who fail to comply with this policy risk disciplinary action, including possible dismissal.

### (1) The risks

Failure to comply with relevant competition/antitrust laws can result in serious adverse consequences – for Sequa and the relevant individuals concerned. Risks from infringing the rules include:

- For **Sequa**: (i) significant fines from relevant authorities; (ii) being subject to burdensome investigations; (iii) possible damages actions by those who allege harm; and (iv) serious reputational damage; and
- For **individuals** (depending on the jurisdiction(s) concerned): (i) prison sentences (including the threat of extradition); (ii) personal fines; and (iii) disqualification from being a director.

You must therefore comply with any relevant competition/antitrust laws.

### (2) The rules

It is not possible to describe in detail all the competition/antitrust laws that affect Sequa's business in this document. However, broadly there are three main types of competition rules:

- (i) Rules prohibiting agreements that restrict competition by their "object" (i.e. their very nature) or their effect, unless an exemption applies (certain agreements may be exempted because they generate pro-competitive benefits for consumers outweighing the harm – although the most serious conduct is usually not exempt);
- (ii) Rules that prevent "dominant" companies (i.e. firms with market power, usually meaning a market share of at least 40%) engaging in conduct that is an "abuse" of that dominance; and
- (iii) Rules requiring that certain M&A transactions, including some types of joint ventures, must be approved by relevant competition/antitrust authorities before they can be implemented.

#### **Key points to note are as follows:**

- You must comply with any relevant competition/antitrust laws.
- The most serious types of infringing conduct include the following:
  - (a) **price-fixing** – this captures competitors agreeing any aspect of their prices (e.g. overall price levels, margins, discounts, minimum prices, pricing mechanisms, etc);
  - (b) **bid-rigging** – e.g. competitors agreeing who will bid for a contract or what price to submit;

- (c) market/customer-sharing – e.g. competitors agreeing who will compete for particular customer groups, product markets or territories; and
  - (d) limiting outputs/sales – e.g. competitors agreeing fixed production/output levels, or to reduce production/output to influence prices.
- Infringing “agreements” can include formal written agreements or much looser informal arrangements, including inappropriate oral discussions.
  - Competitors merely sharing commercially sensitive information (e.g. pricing information, strategy plans or output data) can infringe the rules – and even if only one party discloses information or if the exchange is indirect via a third party.
  - Conduct can infringe a jurisdiction’s rules if it may harm competition in that jurisdiction, even if the conduct occurs in a different jurisdiction.
  - You should not have contact with any of Sequa’s competitors unless there is a legitimate business reason and any such contact should not stray into inappropriate topics – e.g. you should not give or receive any commercially sensitive information or otherwise enter into an infringing (formal or informal) agreement.
  - You should take care when creating documents (including emails) to ensure these cannot be misconstrued as indicating an infringement – e.g. you should state the source (such as the name of the relevant financial report or industry publication, etc) for any legitimate market intelligence about competitors to avoid any possible suspicion this might have been obtained through inappropriate contacts.
  - Certain joint ventures between competitors can have pro-competitive benefits and may be exempt from infringing the rules; but this must be considered carefully by competition/antitrust law specialists at an early stage.

### **(3) Further guidance**

If you have any concerns about your compliance with this policy, or require further guidance about what is or is not permitted, please contact Sequa’s General Counsel and Company Secretary in the first instance.

On behalf of the Management Board  
of Sequa Petroleum N.V.

Jacob Broekhuijsen  
Chief Executive Officer

15 January 2015