

ESSENTRA PLC

Anti-Trust and Competition Law Policy

Commitment and Responsibility

Essentra is committed to ensuring that all of its international activities are conducted in accordance with all applicable legal and regulatory requirements and the highest standards of ethical business conduct.

It is the responsibility of all Essentra employees to ensure that none of Essentra's businesses engage in practices which infringe legal or regulatory requirements or which fall below the highest standards of ethical business conduct.

Any Essentra employee engaging in business practices which infringe legal or regulatory requirements or fall below the highest standards of ethical business conduct may be subject to disciplinary action which may lead to dismissal and may face personal criminal or civil liability.

It is the responsibility of all Essentra employees to ensure that they report any infringement or suspected infringement of legal or regulatory requirements or the highest standards of ethical business conduct involving Essentra to their line manager or otherwise in accordance with the Essentra 'Right to Speak' Policy.

Introduction

Anti-trust and competition law infringements present serious risks for every business. Breaches of anti-trust and competition laws can lead to significant fines for companies (potentially up to 10% of Essentra's worldwide revenue) and imprisonment for individuals. The enforcement of anti-trust and competition laws in many countries is increasingly stringent and encompasses activities undertaken by a company through its employees or third parties acting on its behalf across various international jurisdictions. In addition, third parties may bring damages claims against the Company to recover losses arising from anti-trust and competition law infringements.

The corporate conduct of Essentra plc and its subsidiaries and affiliates (together 'Essentra' or 'the Company') is based on free enterprise and fair and ethical competition within the framework of all applicable anti-trust and competition laws. The Company does not engage in or tolerate any form of conduct which fails to comply with the requirements and spirit of anti-trust and competition laws.

Scope

This policy applies to Essentra and every employee (which for these purposes includes temporary or contract employees) and extends to all business dealings in all international jurisdictions within which Essentra conducts business.

The purpose of this policy is to set out Essentra's position anti-trust and competition law compliance and provide guidance to employees on the prevention, detection and reporting of behaviours which fail to comply with the requirements and spirit of anti-trust and competition laws.

Policy

Essentra does not engage in or tolerate any form of conduct which fails to comply with the requirements and spirit of anti-trust and competition laws. It is contrary to the Company's policy for any employee acting on behalf of Essentra to engage in any conduct which may infringe anti-trust and competition laws.

If any anti-trust or competition law concerns are raised by any governmental or regulatory authorities or any other third parties in relation to the conduct of business by Essentra, the Essentra plc Company Secretary & General Counsel must be advised immediately.

If there are any anti-trust or competition law concerns by Essentra employees relating to the conduct of third parties which may damage the business of Essentra, the Essentra plc Company Secretary & General Counsel must be advised.

The fundamental objective of anti-trust and competition laws is to regulate anti-competitive behaviour by businesses and individuals which may be to the detriment of customers and competitors.

Given the variety of jurisdictions within which Essentra operates, it is impossible in this policy to provide specific advice relevant to all markets and jurisdictions and individual businesses should, in conjunction and consultation with the Company Secretary & General Counsel, seek local expert legal advice as appropriate. However, the most prevalent forms of anti-competitive behaviour typically derive from

- i. Agreements, arrangements or other practices; or
- ii. Abuse of a dominant position

and key areas of potential focus and concern are highlighted below

Agreements, Arrangements or Other Practices

- Any agreement or conduct which has a damaging effect on competition location may be unlawful.
- The concept of agreement under competition law is generally very broad and can include formal or informal agreements – in writing or otherwise (i.e. ranging from written contracts to informal “understandings”).
- Agreements may be between customers and suppliers or distributors (“vertical”) or between competitors (“horizontal”).
- Agreements or communication between competitors are particularly dangerous.
- Agreements relating to the licensing of technology are potentially anti-competitive and require careful consideration
- Horizontal agreements, arrangements or practices likely to be unlawful include those between competitors that:

- fix, control or raise prices, allowances or other terms of trade
 - share, allocate or divide markets or customers (e.g. through bid-rigging)
 - seek to limit production or capacity
 - exchange confidential / commercially sensitive information (e.g. pricing)
- Vertical agreements may be unlawful depending on the particular market circumstances and the position of the parties if they include exclusivity or other non-competition arrangements seeking to manage competitive activity in particular markets or territories.
 - Vertical agreements imposing minimum prices are likely to be unlawful.

Abuse of a Dominant Position

- Dominance is likely to exist if, within the relevant market in which it operates, a company can behave to an appreciable extent independently of competitors, customers and consumers. In general terms, a company is more likely to be at risk of being considered to be in a dominant position where its share of the relevant market is 40% or more, although more than 25% often triggers potential concerns.
- Dominance is not a breach of competition law in itself.
- Conduct that may be considered to amount to an abuse of a dominant position includes:
 - imposing unfair prices or terms (including tie-ins or loyalty or exclusivity rebates)
 - price discrimination, such as imposing different terms for similar transactions with different customers
 - refusing to supply without objective reasons for refusal
 - predatory pricing (i.e. selling below cost or charging discriminatory prices to exclude competitors)
 - excessive pricing

All Essentra employees must exercise caution in relation to potential anti-trust and competition law issues having regard in particular to the following in ensuring compliance with this policy:

- Be extremely careful in any discussions (including any acquisition negotiations) with actual or potential competitors
- Be aware of anti-trust or competition law concerns in all dealings or communications (including emails and reports) with or relating to suppliers, customers, competitors and/or markets
- Be very cautious to avoid participating in trade associations where concerted activity amongst members may lead to anti-trust and competition law concerns
- Use words carefully: careless use of words can make legitimate competitive activity appear suspect
- Ensure agreements with suppliers and customers containing restrictions on price, products or territory and / or including any elements of exclusivity, are carefully analysed with the benefit of legal advice before being entered into. Such arrangements should not be entered into with competitors, save for very limited exceptions and any such arrangement should not be entered into without clearance following legal advice.

- Address any issues of concern prior to engaging in any particular conduct the impact of which may be potentially anti-competitive
- Seek immediate legal advice in the event of any concerns or doubts regarding compliance with anti-trust and competition law requirements

Responsibilities

The Board of Essentra is committed to ensuring that all of the Company's international activities are conducted in accordance with all applicable legal and regulatory requirements and the highest standards of ethical business conduct.

The Board is responsible for establishing this policy within Essentra, supported by an appropriate corporate culture led by the Board, which prohibits competitive activity in breach of anti-trust and competition law requirements involving Essentra employees or any third parties acting on behalf of the Company.

The Chief Executive, supported by the Company Secretary & General Counsel, has responsibility for implementing this policy in accordance with the requirements of the Board.

The Group Management Committee is responsible for ensuring that the Board's compliance commitment is clearly understood and reinforced across all of the Company's businesses, divisions and functions and that the requirements of this policy are diligently and expeditiously followed as required by all employees within their respective businesses, divisions or functions.

The Group Leadership Team is responsible for supporting for the Group Management Committee in the fulfilment of its responsibilities

The Managing Director, President or Functional Head of each business, division or function within Essentra is responsible for establishing appropriate responsibilities, procedures, training and internal controls within their respective operations to ensure the consistent implementation of this policy across all jurisdictions and compliance with its requirements.

It is the responsibility of the management of each business, division or function to ensure that all Essentra employees and all third party service suppliers acting on behalf of Essentra are made aware of this policy.

It is the responsibility of each Essentra employee to ensure compliance with the terms of this policy.

Compliance

All employees are required to comply with this policy.

The Company is committed to training its employees in relation to anti-trust and competition law issues and the procedures and controls implemented in accordance with the requirements of this policy. Employees are required to undertake diligently and expeditiously such training as the Company may provide or otherwise specify from time to time.

Employees are required to certify their receipt and understanding of this policy and certify their compliance with it on an annual basis.

Failure to comply with this policy or the Company's training requirements may result in disciplinary action, which may lead to dismissal, and may expose the Company and/or its employees to criminal or civil liability.

If any employee believes that the terms of this policy are not being correctly adhered to then they should seek to raise any concerns with their line manager or in accordance with the terms of the Company's Right to Speak Policy. Under the terms of the Company's Right to Speak policy, employees are encouraged, without fear of victimisation, to raise any concerns they may have regarding the conduct of Essentra's business in order that such concerns may be properly investigated.

The Company will not permit retaliation of any kind by or on behalf of the Company or any employee against any individual for making good faith reports of violations or suspected violations of this policy.

Employees must co-operate fully and openly with any investigation by the Company into alleged or suspected breaches of this policy. Failure to co-operate or to provide truthful information during any investigation may lead to employees being subject to disciplinary action, which may lead to dismissal.

Monitoring

The Company is committed to monitoring compliance with this policy.

Monitoring of compliance with this policy may include reviewing the extent and nature of commercial agreements, arrangements and other practices, the nature and extent of relationships with competitors and trade associations and the assessment of pricing practices.

Monitoring of compliance with this policy will be undertaken by the Company's Group Assurance function or by such other resource as may be directed by the Company Secretary & General Counsel.

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