

Compliance with Competition Laws	 NTG  Nordic Transport Group
Policy	Effective from 1 November 2020
Comments	Second edition November 2022: addition of paragraph 5.1.7
Approval	Group General Counsel
Owner	Head of Group Legal Compliance
Appendices	N/A
Replaces Standard Operating Procedure No.	N/A
Distribution list	Management of each NTG Group entity and NTG intranet

1. INTRODUCTION

Competition law prohibits companies from behavior that have as its object or effect to restrain competition. This Policy on Compliance with Competition Laws (the "Policy") sets out basic guidelines to ensure that NTG Group employees are able to identify situations that may give raise to competition law problems and enable employees to raise such concerns.

2. PURPOSE

The purpose of the Policy is to ensure that NTG Nordic Transport Group A/S and any of its subsidiaries ("NTG Group"), all NTG Group's employees and anyone acting on behalf of NTG comply with applicable competition laws, as also stipulated in NTG's Code of Conduct for employees (the "Code").

3. SCOPE

This Policy is applicable to all NTG Group's activities including those of subsidiaries and their respective officers, directors, employees and Third Parties and any other person acting on behalf of NTG Group.

NTG Group cannot indirectly through Third Parties perform actions which it cannot legally perform itself. This Policy therefore applies to anyone acting on behalf of NTG Group, including but not limited to consultants, agents and brokers contracted by NTG Group.

A deviation from this Policy requires the approval of NTG's Executive Management Team or NTG Group Legal.

4. DEFINITIONS

Term	Definition
Agreement(s)	An Agreement in competition law can include formal as well as informal Agreements, written and oral Agreements, explicit or implicit deals or understandings. The mere exchange of Commercially Sensitive Information with a competitor is enough to be "an Agreement".
Commercially Sensitive Information	Any information that has a potential to reveal business secrets and is not in a public domain.
Competitor(s)	Any company/person that actually or potentially provides services or products in competition to NTG Group including all freight forwarders contracted by NTG Group. When used in this context the word "potentially" should be understood in the broadest possible way.
EEA	The countries of the European Union and members of the European Free Trade Association (EFTA).
Employee(s)	Officers, directors, personnel whether fixed term, permanent or probationary, trainees, volunteers, and interns.

Exchange of Information	Exchange of information means receiving as well as sharing information. Unilateral receipt or sharing of information can be sufficient for an infringement.
Exclusivity Agreements	Means any Agreement or practice between two or more parties that provides - explicitly or implicitly - a right for one party to be the exclusive customer, recipient or service provider in relation to the other party's services e.g. in relation to products or services, or within certain geographical area(s).
Most Favoured Nation Clause	A contractual clause that guarantees that a particular customer will always benefit from the best contractual conditions offered by the company.
Professional Association	Includes any group or association that serves a legitimate purpose in promoting and improving industry or professional goals and standards, including promoting common interests to the public, lobbying and advocacy, research, member education and/or the promotion and improvement of product standards. Examples include, but are not limited to: trade associations, industry groups, and business associations.
Third Party	A third party is any individual not employed by the NTG Group, that provides services or engages in business activities, on behalf of the NTG Group or one of its subsidiaries.

5. POLICY

5.1. Dealings with business partners (customers and suppliers)

5.1.1. General

In general, there are few competition law restrictions in relation to what can be agreed between NTG Group and our business partners. However, especially when dealing with Competitors, there are certain competition law aspects to be aware about. An example could be entering into cooperation Agreements with Competitors, which happens often within the freight forwarding business. This is for instance the case when cooperating with agents, even if this is in markets where NTG Group is not present. To ensure that such cooperation complies with applicable competition law(s), certain principles apply in NTG Group.

Below is a brief description of certain types of Agreements which require attention, both in dealings with Competitors and non-Competitors.

5.1.2. "Hardcore" violations of competition law

The most critical types of anti-competitive behaviour are:

- price fixing,
- customer allocation,
- division of markets (including entering into "neutrality/exclusivity Agreements" whereby a company undertakes not to pursue business in certain markets),
- bid rigging in tender procedures; and
- the exchange of Commercially Sensitive Information.

Above mentioned behaviours are never allowed, not even with non-Competitors.

5.1.3. Exclusivity Agreements and rebate arrangements

NTG Group can generally use and agree on Exclusivity Agreements or rebate Agreements rewarding loyalty as long as (1) this is in markets where neither the NTG Group entity or the customer has a market share on their respective markets of more than 30% and (2) the business partner in question is not a Competitor. The Exclusivity Agreement must as a starting point be limited to five years duration and needs to be actively renegotiated at expiry (i.e. it cannot be automatically renewed).

If the NTG Group entity or the customers market share exceeds 30%, it is to be determined on an individual basis and with the involvement of Group Legal whether the Exclusivity Agreement may be entered into.

Exclusivity Agreements are as a general rule not allowed but may subject to prior consultation with NTG Group Legal be approved in certain cases. Approval will be relevant for instance in relation to agent Agreements or cooperation Agreements with other freight forwarders which contain provisions that indicates exclusivity to the benefit of one or all of the parties.

5.1.4. Most Favoured Nation Clause

Most Favoured Nation clauses may raise several competition concerns, as they could allow a customer to monitor what rates have been granted to competitors in which case NTG Group could be perceived as sharing with and disclosing Commercially Sensitive Information from one competing customer to another. Most Favoured Nation Clauses could also chill price competition and/or lead to alignment of prices between customers.

Therefore, prior to signing an Agreement containing a Most Favoured Nation Clause, NTG Group Legal shall be consulted.

5.1.5. Profit sharing with “open-book” arrangement

Profit sharing arrangements is common industry practice in agency Agreements between freight forwarders where profits on shipments are being split at a pre-agreed basis of distribution. Profit sharing arrangements with an “open book” arrangement and self-auditing clauses could allow an agent to have access to NTG Group’s Commercially Sensitive Information and for NTG Group to get access to the agent’s Commercially Sensitive Information. It could also raise concerns as to whether the parties’ engagements otherwise are an actual or potential restriction on competition.

Therefore, prior to signing an agent Agreement containing a profit sharing with either and “open book” arrangement or a self-auditing clause, NTG Group Legal must be consulted.

5.1.6. Receipt of Commercially Sensitive Information

Disclosure of information can be non-compliant even if it is not reciprocal or bilateral. For example, receiving Commercially Sensitive Information may also constitute an infringement of the competition laws. Therefore, should any NTG Group Employee receive such unsolicited information from a Competitor which the employee deems could be Commercially Sensitive Information, the Employee will need to contact Group Legal to ensure an appropriate response.

5.1.7. Commercially Sensitive Information received via customers

In general, it is allowed to receive from customers information on the rates of competitors when it is the customer that volunteers the information as part of a negotiation, i.e., to receive an improved offer.

To ensure that commercially sensitive information received via customers is handled in a correct manner NTG Group employees must take the below into account:

- Do not systematically or actively request information from customers about the rates of competitors,
- In the event the information received from customers about the rates of competitors is retained it must be noted from (i) which customer and in regard to (ii) which project and on (iii) which date the information was received; and
- Information from customers regarding the rates of competitors in relation to projects where NTG will collaborate with the competitor on the transport task must be refused, e.g., information regarding the rates a competitor is charging for the part of the leg of the transport NTG is not part of.

5.2. Membership of a professional association

Professional associations (industry and business associations, professional networks, NGO's etc.) are vital for knowledge sharing and management of interest between operators at the same level in the supply chain (i.e. Competitors). However, many competition law violations happen (often unknowingly) through employees' participation and dialogue and sharing of information when participating and attending meetings in such networks. Therefore, NTG Group Employees must carefully consider what information is being shared when participating in networks, business associations etc. and must at all take duly note of the guidelines described above in section 5.1 and addressed in NTG Group's competition law training and awareness sessions.

5.3. Benchmarking costs, historic data and reports

From time to time, NTG Group subsidiaries may be invited to participate in benchmarking exercises (contributing to market statistics). Generally, the exchange (directly or indirectly through e.g. a trade association or a market research organisation) of Commercially Sensitive Information is not permitted, but exceptions may apply. Therefore, before starting a benchmarking exercise with Competitors, NTG Group Legal must be consulted.

5.4. Mergers, acquisitions and divestitures

In M&A processes, communications between NTG Group and the target and sellers (which notoriously will be Competitors) shall be limited to what is necessary for the purpose of evaluating the potential transaction. The parties are considered Competitors until the transaction has closed, i.e. until the ownership and control of the acquired company has transferred. Until such date, strict rules apply regarding the interaction with the other parties of the transaction in order to avoid a violation of competition laws.

Many countries have a system of merger control with mandatory notification of a planned transaction. Failure to notify the relevant competition authorities may lead to high fines. Application of whether local merger control regimes apply should always be assessed in M&A transactions.

6. INTERACTION WITH REGULATORS AND AUTHORITIES

Every interaction with a competition authority or a government agency on a competition law matter must be notified to and preapproved by NTG Group Legal.

7. REPORTING OBLIGATION AND DISCIPLINARY ACTIONS

NTG Group will not tolerate the dishonest or unlawful achievement of results by any employee, whether directly or via a Third Party. Any deliberate violation of this Policy may result in disciplinary action, including termination of employment or contract.

Any violation or suspected violation of the Competition laws and regulations or this Policy must be reported immediately to any of the following:

- NTG Group Legal; or
- NTG Whistleblower System; or
- Any member of NTG Group Executive Management.

8. RESPONSIBILITIES

Task	All departments	Group Legal	Management
Receipt of Commercially Sensitive Information	S	C	
Signing an Agreement which contains “hardcore” violations, an Exclusive Purchasing Obligation, a Most Favoured Nation clause, and a profit sharing with “open-book” arrangement	S	C	
Starting a benchmarking exercise	S	C	
Engaging in negotiations on M&A related matters	S	C	I
Engaging with regulators and authorities	S	C	I

C = Department to be consulted; S = Task for which support should be asked; I = Department to be informed

<End of Document>