

Owner: Law Department

Effective Date: August 9, 2020

Next Review Due: August 8, 2024

# Policy

## Introduction

Albemarle Corporation, (the Company) is committed to conducting business ethically and in a manner consistent with our Core Values and **Code of Conduct**.

We believe in the principle of free trade. We are committed to vigorous but fair competition and act independently of our competitors. We compete on price, quality, volume, service, talent, research and innovation. We expect our customers and other business partners (sales representatives, vendors, contractors and any other third party doing business with Albemarle) to also compete fairly and will take action against those who do not.

The purpose of this Policy is to provide guidance on the types of activity that may violate competition laws, the scenarios in which that activity might arise and the Company's requirements in those scenarios.

## Responsibilities

This Policy applies to Albemarle Corporation, all Albemarle-controlled entities and their respective employees, officers and directors.

You are required to report any suspected conduct, either by Albemarle personnel or third parties acting on behalf of Albemarle that may violate this Policy.

## What Agreements with Competitors Might Violate Competition Laws?

Competition laws, and our **Code of Conduct**, prohibit certain types of agreements with competitors. They include:

- **Price Fixing:** Making agreements with competitors regarding prices, formulas to determine prices, price indices, sales terms, discounts, margins, costs, rebates, commissions, credit terms, or surcharges, including agreements to fix, raise, lower or stabilize prices.
- **Allocating customers or markets:** Making agreements with competitors regarding whether or how to enter product or geographic markets, or whether or how to deal with customers.
- **Bid rigging:** Making agreements with competitors on the method by which bids will be submitted or determined, including agreements to rotate jobs or bids; to determine who will bid and who will not bid (i.e., agreeing with a competitor to lose one project in exchange for winning a future project); to determine the prices that individual competitors will bid; to exchange amounts or terms of bids in advance of submitting bids; and submitting "courtesy bids" to a customer in furtherance of an agreement with competitors.

- **Agreements relating to capacity or production:** Making agreements with competitors regarding capacity levels, production levels, capacity utilization levels, and whether or how to expand or contract capacity.
- **Agreements relating to product features, research or innovation:** Making agreements with competitors to limit the quality or features of products; or agree to pursue only specific technologies or otherwise limit or focus research or innovation.
- **Agreements relating to employees:** Making agreements with competitors not to hire each other's employees ("no poach") or how to compensate employees or other terms of employment.
- **Group boycotts:** Agreeing with competitors not to do business with a supplier or another party (even on apparently legitimate grounds such as credit performance or safety), or to use collective economic pressure against another party (for example, to exclude another party from the market).

You are prohibited from participating in any of the activities outlined above.

## What can constitute an Agreement?

An "agreement" can be oral, as well as written. An agreement can also be inferred from conduct. For example, if two or more competitors happen to raise prices several days after meeting each other, a competition law enforcement agency may infer from the evidence that the competitors agreed to fix prices.

## Who are Albemarle's Competitors?

Albemarle competes with third parties in several different ways and each falls into its own category of competitor. The competitor categories include:

- Producers and resellers of competing products
  - Albemarle competes with other producers of lithium, bromine and catalyst products and other providers of fine chemistry services.
  - Albemarle also competes with companies engaged in the resale or trading of lithium, bromine, catalyst or other fine chemistry products, whether those products are manufactured by Albemarle or another producer.
- Procurement of goods, services and land
  - The list of Albemarle competitors in the procurement market is much broader than the specialty chemical producers, resellers and traders we compete with on the sales side. For example, Albemarle might compete with contractors for the procurement of vehicles suitable for our sites.
  - Broader still is the class of competitors with whom we compete for the procurement of services. For example, we compete with many companies in relation to the procurement of engineering services. We also compete with a similarly broad group in relation to the acquisition or lease of property.

- Hirers of employees and contractors
  - Albemarle also competes with a broad range of companies in the recruitment and compensation of employees and contractors.

## Exchange of Competitively Sensitive Information

The inappropriate exchange of competitively sensitive information can have a similar anti-competitive effect as the illegal agreements referred to above and violate antitrust and competition laws. As a general rule, competitively sensitive information must **not** be exchanged with competitors, either directly or via third parties (including through distributors, industry associations, consultants or others).

Competitively sensitive information includes sales plans and proprietary market data (pricing analysis, demand/supply models, market share analysis); terms of sale or purchase (price, margins, commissions and credit terms); strategy and details regarding customers or suppliers cost data; production capacity and volume data; import/export data; site expansion, contraction and closure plans; merger, acquisition or divestment plans; salaries and other terms of employee compensation; research and development, innovation plans, proprietary systems or technologies and intellectual property.

This Policy refers to several scenarios – such as a legitimate industry collaboration – where a limited exchange of competitively sensitive information may be appropriate and pro-competitive. Such exchange may only occur in accordance with the requirements of this Policy and after discussion with the Law Department, as set forth below.

## Contact or Communications with Competitors

Meetings and communications with competitors can create the perception of anti-competitive conduct and, therefore, potential exposure under competition laws. You should avoid casual contact or communication with competitors that could give the impression of collusion or the inappropriate exchange of information between Albemarle and competitors.

Communications with competitors are never permitted for the following purposes:

- Inappropriately exchanging competitively sensitive information;
- Verifying or checking prices learned from a customer;
- Gathering customer-specific information such as purchasing history, credit-worthiness, or future prospects;
- Seeking to resolve concerns that companies are aggressively poaching employees from each other;
- General discussions of market conditions; or
- Seeking confirmation of an industry rumor.

In addition, public communications (for example, press releases or investor/industry conferences) should not be used as a means to inappropriately disclose information to or otherwise illegally coordinate with competitors. Contact the Law Department if you know or suspect business information of Albemarle is about to be disclosed in the public domain without authorization.

There are, however, occasions where it is perfectly legitimate for Albemarle to meet with competitors

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Page 3 of 8

(e.g., as part of an established joint venture, other approved pro-competitive collaboration or a site visit to discuss HSE best practice). Prior to planning a meeting or call with a competitor (including lunches, dinners or other informal gatherings), you must:

- Discuss with the Law Department sufficiently in advance, and provide them with a reasonable opportunity to participate;
- Ensure an agenda and attendee list is prepared, and reviewed with the Law Department before the meeting;
- Preclude participation of employees with sales, pricing or commercial responsibility, unless otherwise agreed with the Law Department;
- Ensure that minutes are prepared of the meeting; and
- Document the source of any information received from the competitor (who the information was received from, on what date and for what purpose was it received)

These requirements may be supplemented or substituted by competition law protocols adopted in relation to any specific pro-competitive collaboration with a competitor. Please consult with the Law Department if you are unsure as to which requirements apply for any given collaboration.

In the event of any incidental or unplanned contact with competitors, you must immediately contact the Law Department. The Law Department must be informed of all contacts with competitors.

## Acquisitions, Mergers, Joint Ventures, Alliances, Patents, Joint Development Agreements, and Technology Licenses

The following types of transactions can raise important competition considerations:

- Mergers, acquisitions, divestitures, the formation of joint ventures or alliances;
- Joint production or joint marketing of competing or complementary products;
- The licensing of rights under patents, technology, or know-how;
- Entering into joint research & development agreements;
- Product supply, product or raw materials purchase, tolling, product swap, shared logistics, joint purchasing, or subcontracting agreements with a competitor; and
- Standard setting agreements (e.g., relating to product regulation, health & safety or the environment).

In some cases, before the transaction can be completed, the transaction may have to be reported to and cleared by a variety of governmental authorities. To manage these competition considerations, you must consult with Corporate Strategy and the Law Department for guidance before beginning discussions with competitors about any of the arrangements identified above.

## Participating in an Industry Association, Exhibition or Conference

Albemarle participates in associations, exhibitions and conferences to contribute to industry discussion with customers, business partners, peers and other stakeholders on matters of mutual interest. These activities can raise competition concerns simply because competitors are present. To protect our

reputation, and manage legal risk, we take steps to ensure that such industry collaboration is in accordance with our Core Values and supports our corporate strategy.

Before committing Albemarle to join an industry association, you must secure approval in accordance with the [Code of Conduct \(Participating in Industry Associations, Exhibitions & Conferences\)](#) and the [Industry Association Procedure](#).

Any Albemarle attendees of approved industry associations must:

- Comply with any conditions to the approval of joining such association;
- In addition to the requirements of this Policy, comply with the antitrust protocols and bylaws of the industry association; and
- Immediately escalate any inappropriate conduct by a competitor to the Law Department .

## Gathering Competitive Intelligence

Gathering competitive intelligence enables us to better understand and anticipate the competitive environment in which Albemarle operates. However, the gathering of such information must be undertaken with care to ensure compliance with our Core Values, Code of Conduct, contract confidentiality obligations and applicable competition laws.

To ensure that you are gathering and obtaining information from legitimate sources and in accordance with the Company's policies, see the [Code of Conduct \(Gathering Competitive Intelligence\)](#) and [Global Sales Policy](#) and call the Law Department if you have any questions.

## Industry Surveys and Benchmarking

Participation in industry surveys, statistical reporting programs and benchmarking activity enables the Company to assess its performance in relation to health, safety, the environment, cost, processes, and other areas. However, such activity may also give rise to competition law risks if it involves the direct or indirect disclosure or receipt of competitively sensitive information of competitors.

To manage this risk, you must consult with the Law Department before disclosing any competitively sensitive information to a consultant, industry association or other third-party irrespective of the purpose.

## Inappropriate Conduct by a Competitor

If at any point a competitor inappropriately requests or offers competitively sensitive information or otherwise initiates inappropriate contact:

- firmly indicate it is against Albemarle policy to have such conversations;
- immediately end the conversation, and note your departure in any meeting minutes; and
- immediately notify the Law Department.

## Conflicts of Interest Involving a Competitor

A potential conflict of interest, and competition risk, may arise if you, your spouse, your partner or a relative:

- are a director, officer, partner, employee, contractor, or agent of a competitor; or
- own or acquire a significant interest in any competitor.

The **Code of Conduct (Managing Conflicts of Interest)** requires you to disclose all potential or actual conflicts of interest and provides information on how you may disclose such a conflict.

## Hiring an Employee from a Competitor

The **Code of Conduct (Hiring New Members of Your Team)** requires pre-approval from Global Ethics & Compliance before offering employment, an internship or a temporary contract to an individual who is currently working for a competitor, or who has worked for a competitor in the past year. This is so:

- an appropriate review can be made of the prospective employee and proposed position;
- the prospective employee, if hired, can be provided competition training; and
- the employee can be reminded of the confidentiality obligations the employee likely owes to the employee's former employer, and to resist any temptation/request to disclose competitively sensitive information about the former employer to other Albemarle employees.

## Leaving Albemarle Employment for a Competitor

Conversely, if you leave Albemarle employment for a competitor you must ensure that Albemarle information is not disclosed to anyone at your new employer. If you or a member of your team is leaving to join a competitor, immediately notify the Law Department and Human Resources.

## What Arrangements with Customers Might Violate Competition Laws?

In addition to contact with competitors, competition laws also apply to the relationships between producer, wholesaler, distributor, reseller and/or end customer.

For example, competition laws prohibit the use of unfair, predatory, or exclusionary means to harm competition. Under certain circumstances, the following activities may constitute such unlawful practices when dealing with potential or actual purchasers of Albemarle product:

- Refusing to deal with a potential or actual purchaser of Albemarle product, including by refusing to supply products to a customer on a commercially reasonable basis;
- Tying arrangements (i.e., conditioning the sale of a product on the customer's purchase of a second product);
- Bundled or package pricing;
- Fidelity rebates or discounts conditioned, for example, on the attainment of a volume or percentage target;

- Agreeing to supply all or a significant portion of a customer's requirements of a given product (and/or limiting the customer's ability to purchase the product from a competitor), particularly over an unreasonably long period of time;
- Pricing below cost;
- Price discrimination (i.e., charging competing customers substantially different prices for similar quantities of the same product, services, or facilities, in similar circumstances); and
- Resale price maintenance (i.e., requiring a wholesaler, distributor or reseller to sell Albemarle products at a specific price).

You must consult with the Law Department before pursuing a plan or strategy involving any of the practices identified above.

## Dealing with Third Party Sales Representatives

Third Party Sales Representatives (TPSRs) includes any buyer who will or is likely to resell or otherwise supply Albemarle product to another customer, without modification or processing of the product. Competition laws in the US and other countries limit Albemarle's ability to control the price at which a TPSR resells Albemarle products, or the territories into which a TPSR may resell.

In accordance with the **Global Sales Policy** and **Third Party Sales Representative Procedure**, a written contract is required between the Company and any TPSR, to be initiated by the Law Department. The Law Department must be closely involved in any contract negotiations with a TPSR to ensure compliance with applicable competition laws.

The Law Department must be consulted if you believe a TPSR or customer needs to be subject to any type of restriction of their resale of Albemarle product.

TPSRs must also make independent decisions regarding the prices at which they resell Albemarle's products. While Albemarle may, in some circumstances, recommend resale prices, *it is generally unlawful for a manufacturer to agree with a TPSR on the minimum price at which the TPSR may resell the manufacturer's products*. It is also unlawful to exert any type of pressure or coercion on TPSRs to enforce suggested minimum resale prices. You must speak with the Law Department before engaging with a TPSR on their resale pricing.

## What Arrangements with Suppliers Might Violate Competition Law?

Under certain circumstances, the following activities may raise competition law issues when dealing with suppliers:

- Refusing to deal with a given supplier, including by refusing to provide suppliers the opportunity to participate in an Albemarle tender or request for proposal or improperly refusing to buy products from a supplier on a commercially reasonable basis; and
- Tying up supplies of raw or finished materials through long-term or full output contracts.

Consult with the Law Department before pursuing a plan or strategy involving any of the practices identified above.

### Contact with a Competition Agency

It is possible that a competition law enforcement agency (or other agencies) may make contact with an Albemarle employee for a variety of reasons, including in connection with regulatory review of proposed transactions involving other parties (where you and Albemarle would not be under investigation) or by making scheduled or unscheduled visits (“dawn raids”). Immediately contact the Law Department if you are approached by such an agency for any reason. The Law Department has also issued dawn raid guidelines for all major international sites, which employees are required to follow in the event of a raid.

### Competition Concerns regarding a Competitor, Vendor or Customer

If you suspect a competitor, vendor, customer or other Albemarle business partner is engaged in anti-competitive conduct, you must immediately notify the Law Department: do not engage with the third party yourself.

### Information and Guidance

If you have questions concerning this Policy, please contact the Law Department.

### Related Policies, Procedures or Other Documents

- a. [Global Sales Policy](#)
- b. [Third Party Sales Representatives Procedure](#)
- c. Industry Association Procedure