

***Competition Law Policy***  
*(Corporate Transparency Project)*



**INDEX**

**APPROVALS ..... 3**  
**CHANGE CONTROL..... 3**  
**OBJECTIVE ..... 4**  
**SCOPE..... 4**  
**WHO DOES IT PERTAIN TO ..... 4**  
**GENERAL CONCERNS ..... 4**  
**POLICY ..... 5**  
**GLOSSARY..... 6**

**APPROVALS**

<b><i>DEPARTMENTS</i></b>	<b><i>Approval Date</i></b>
Corporate Finance	18.10.21
Legal	18.10.21

**CHANGE CONTROL**

<b><i>Person(s) Responsible</i></b>	<b><i>Changes</i></b>	<b><i>Version Change and Date</i></b>

## **OBJECTIVE**

This policy establishes the compliance with Competition Laws that are enforced where GRUPO FARMA operates.

Complying with this policy ensures that we compete under equal terms and conditions without an unfair advantage.

## **SCOPE**

This policy is a set of fundamental rules to ensure compliance with the legal legislation regarding business competition. It establishes that all employees at GRUPO FARMA must take into account free and fair competition and competition laws during their daily performance and respective obligations.

## **WHO DOES IT PERTAIN TO**

This policy applies to all employees at GRUPO FARMA.

## **GENERAL CONCERNS**

The policy on Competition Laws provides a clear explanation about specific matters that must be respected when carrying out daily work in order to avoid any violations with current competition laws.

GRUPO FARMA is committed to free, open and non-monopolistic competition while abiding by competition laws wherever it operates and competing based on product and service merits.

GRUPO FARMA will always ensure compliance with this policy and will not engage in unfair practices even if they are permitted by law in the countries where it has operations

## POLICY

GRUPO FARMA does not tolerate those who engage in agreements that undermine price, terms, conditions of sale or fair competition in order to obtain monopoly profits. Each and every one of the business areas to which these laws apply must be aware of their scope and involvement and in addition to ensuring compliance with current laws.

GRUPO FARMA must take into account the following:

- Reject all discussions or contacts with the competition that involve price, costs, terms or conditions of sale.
- Disassociate from employees who seek to impose unfair limits on trade or rule out market competition.
- Prohibit bid and boycott manipulation as a conventional tool for setting prices and obtaining monopoly or monopsony profits.
- Actively participate in detecting situations that could lead to monopoly or monopsony. Any suspicion must be notified immediately in order to evaluate the situation and to take necessary action.
- Perform economic competition practices, always complying with the approval procedures established in the organization.

## GLOSSARY

**Employee:** Term used for someone who works at GRUPO FARMA.

**Competition Law:** Competition law is a law that promotes or seeks to maintain market competition by regulating anti-competitive conduct by companies. Competition law is implemented through public and private enforcement.

**Monopoly:** Monopoly is a market structure where there is a single supplier of a certain good and/or service, in other words a single company dominates the entire supply market. When there is a monopoly in the market, there is only one company capable of offering a product and/or service that has no substitution. Consumers are left to one product or service as their option.

**Monopsony:** Monopsony is a market structure in which a single buyer substantially controls the market as the major purchaser of goods and services offered by many would-be sellers.

**Unfair business practices:** Unfair business practices encompass fraud, misrepresentation, and oppressive or unconscionable acts or practices by business, often against consumers, and are prohibited by law in many countries