

## Antitrust and Fair Trade Policy

October 2021

### 1. Purpose & Scope

- 1.1. Reaffirm to all employees our commitment to a culture of integrity, honesty, and accountability everywhere we operate. We strive to conduct our business following the principles of fair trade and comply with the antitrust laws applicable in the jurisdictions where we do business.
- 1.2. Establish the basic principles and framework for preventing, detecting, investigating, remedying, and, if applicable, apply the appropriate penalties to any antitrust violation.
- 1.3. This Policy applies to all Nemak employees, suppliers, and clients, as well as to any individual that acts on behalf of the company, such as representatives, agents, consultants, advisors, etc.
  - a) It is worth noting that our marketing and sales teams, in retaining relationships with customers and procuring new business, are more prone to be exposed to situations that could improperly limit or inhibit competition.
  - b) All employees must read this Policy and, when required, attend mandatory training and confirm that they have not and shall not engage in non-compliant behavior.
  - c) Suppliers, customers, and individuals that represent Nemak will be notified of the existence of this Policy and will be required to observe it.

### 2. Definitions

- **Price fixing:** An agreement between competitors to fix sales or purchase prices.
- **Cartel:** An agreement between competitors to refrain from competing.
- **Limit Production:** An entity controlling, restricting, or refusing to produce goods to ensure that prices remain high for the benefit of select competitors, customers, and/or suppliers.
- **Bid rigging:** Any understanding between competitors that affects the fair bid process, such as agreeing to bid high or low, or fixing bid prices or conditions of sale.
- **Market sharing:** Agreements to divide or allocate sales territories, customer lists, or bids.
- **Group boycotts:** Competitors refusing to purchase specific products or services, or refusing to sell to certain customers, or in general refusing with any particular outsider.
- **Tying agreements:** Agreement whereby a seller agrees to sell one product only with the intent or effect of forcing a customer to purchase a second product.
- **Antitrust violations:** Any contract, understanding, or action that results in any of the activities listed in items 2.1 through 2.7.
- **Employees:** Refers to the members of the Board of Directors and committees, as well as executives, directors, officers, employees, and interns.
- **Competitor:** Any entity engaged in the automotive aluminum foundry industry. These include a number of independent foundries and internal foundries owned by some of the OEMs. As of the date hereof, the independent foundries include Linamar-Montupet, Martinrea Honsel, and Ryobi in North America; Linamar-Montupet, Martinrea Honsel, Georg Fischer, KS Aluminum and Magna Cosma in Europe; Teksid Aluminum, FBA, Magal, and Italspeed in South America; and several local suppliers in Asia such as KPSNC, Ruiming, DongSeo, Daerim, Jaya Hind and Ryobi. OEMs acting in their capacity of internal foundries are considered competitors and therefore, it is recommended to build a wall between the sales departments dealing with our OEM clients and those having any interaction with OEMs in their capacity of internal foundries, which are deemed competitive.
- **Sensitive Information:** Refers to any information of Nemak or any of its subsidiaries that is not in the public domain and whose disclosure may potentially harm its respective business,

including: pricing policies, practices or trends, discounts, rebates, margins, payment terms, projected profits, profit margins, market share, market concentration, commercial conditions with customers and suppliers, supplier selection, rejection or termination, upcoming bids, client contract awards, sales territories, sales projections, volume projections, production capacity, production actual and projected costs, sensitive plant data (e.g. technology and equipment employed, product and process), sales forecasts, business, and marketing strategies or plans.

### 3. General Guidelines

#### 3.1 Antitrust laws

Are designed to prohibit any business activity that improperly limits or restricts competition, or deployed with the intention of doing so, without giving any corresponding benefit to the consumer. Also, these aim to protect and promote competition for the benefit of customers worldwide.

#### 3.2 We expect all employees:

To perform their duties following applicable laws, rules, and regulations in an ethical manner. Therefore, we strive to ensure that all our business activities comply with antitrust and fair trade laws applicable in the countries where we conduct our business.

#### 3.3 Antitrust Violations

It is strictly prohibited that employees or contractors engage, order, authorize, promise, conspire or induce in any antitrust violations.

Antitrust violations do not have to include a contract or understanding in writing. Illegal agreements may be inferred from conduct and other evidence such as telephone calls, emails, meetings, participation in trade shows and associations, conduct in bidding situations, or timing of pricing decisions. Even the appearance of an understanding may be considered an antitrust violation.

#### 3.4 Exclusivity provisions

Exclusivity provisions are allowed when its intent or effect does not harm competition. For example, an agreement where one of the parties is committing substantial investment or has the potential of creating innovations may benefit from an exclusivity provision for the period necessary to recoup the investment, if the exclusivity is limited both in duration and to the relevant market where the investment or innovation is being made, both geographically and industry-wide. Lack of protection would discourage entities to carry out investments or innovations that would ultimately benefit consumers of a product. All exclusivity provisions must be reviewed with the Legal Department.

#### 3.5 Sensitive discussions

Avoid discussing any sensitive information with any competitor. Employees shall avoid any meetings and communications with competitors unless they are public and for a lawful purpose. Employees must exercise caution in any written communication with any competitor.

#### 3.6 Forming buying groups

The participation of competitors in a cooperative buying arrangement may be legal if it achieves an efficiency purpose. However, these arrangements may carry significant risks of being deemed an antitrust violation, if the arrangement facilitates a cartel among the participants. All buying groups must be reviewed with the Legal Department.

#### 3.7 Trade associations meetings

Trade association meetings can be legitimate forums for discussing legislation, safety, public policy, and other relevant matters that surround the industry and markets. Trade association meetings must not be used or perceived as an opportunity to form or maintain a cartel.

It is important to remember that these are meetings with competitors and, therefore, the following should be taken into consideration:

- a) Attend only absolutely necessary meetings.
- b) Association meetings should have an antitrust policy statement read before the meeting.
- c) A lawyer should be present to monitor all topics.
- d) Follow an agenda for each meeting. Draft a minute after each meeting and ensure that it is signed by everyone attending.
- e) Conversations about sensitive information must be avoided at all times.
- f) If sensitive information is being discussed, excuse yourself and contact the Legal Department for further advice.

### 3.8 Industry surveys

Nemak may be asked to participate in a survey that collects and publishes information about pricing, sales volumes, and other sensitive information. If these surveys are undertaken without following certain precautions, such as only providing aggregated data, they can be considered an antitrust violation. Therefore, no employee should contribute or subscribe to an industry survey without first discussing the survey with the Legal Department.

### 3.9 Mergers and Acquisitions

Some corporate transactions may violate antitrust laws if they impair competition. Mergers and acquisitions are highly regulated through applicable antitrust legislation by the corresponding authorities. It is advised that you remember:

- a) When you are participating in due diligence or negotiations related to merger or acquisition transactions, you may come into contact with sensitive information of a competitor.
- b) Be sure to comply with the terms of any confidentiality agreements, as well as with local antitrust law.
- c) Do not share sensitive information of a competitor with other Nemak business units or departments.
- d) Remember that the documents you create concerning a merger or acquisition can be requested by any governmental authority.

### 3.10 Agreements with competitors

To avoid improper activities or appearances thereof, you should not engage in public or private, oral or written agreements, discussions, or negotiations with actual or potential competitors, unless they have been approved by the Legal Department.

For any meeting or discussion with a competitor that does proceed, the following steps must be taken:

- a) Document in advance that both sides understand the business purpose of the discussion. For example, agree on an agenda or exchange emails identifying the topic of discussion.
- b) Restrict the discussion to the identified purpose.
- c) Make a record of the meeting or discussion considering the following: date, time, place, duration, the persons participating, matters discussed, and all agreed follow-up actions.

### 3.11 Antitrust laws are complex

Employees must keep in mind that antitrust laws can be complex. While certain activities such as price-fixing are almost always illegal, some other activities may be legal or illegal depending on the circumstances, for example, an exclusivity provision. Separating legal from illegal conduct often requires an in-depth evaluation of the specific facts surrounding the situation along with a thorough understanding of the applicable law. Employees are not expected to be experts on fair competition laws. Employees should check with the Legal Department about any potential antitrust violation in order to perform an adequate analysis.

### 3.12 Internal Audit

The Internal Audit Department shall include within its audit programs a periodic review of Nemak's compliance with this Policy. The audit will include a written report that will be sent to the Global Audit & Legal Director. Any deficiencies that are identified will be accompanied by written plans to address the deficiencies.

### 3.13 Disciplinary measures

Employees or contractors in breach of this Policy are subject to disciplinary actions ranging from a warning to termination of employment or contract. The severity of such disciplinary actions will depend on the seriousness of the offense.

Mexican, U.S., and European regulations are especially tough on monetary penalties which can reach well into the tens of millions of dollars, and judges give significant jail time to individuals involved in wrongdoing.

Antitrust enforcement can reach beyond any country's borders and many government agencies cooperate to conduct cross-border investigation and enforcement.

### 3.14 Reporting

We expect employees to report all known or suspected violations of this Policy. Immediate reporting of competition issues can be critically important both to our company and our employees because the timing of the report is considered when assessing a potential antitrust violation or penalty. Furthermore, antitrust laws in many jurisdictions such as Mexico, the U.S., and the European Union contemplate leniency programs, and there are significant benefits to the company if it is the first to report an antitrust violation.

All employees must remember that violations can carry serious criminal penalties and damage both your reputation and that of our company. These damages will far outweigh any economic gain recognized by a violator.

Employees may raise concerns or report violations as follows:

- **Within the business unit or global staff area**  
Generally, an employee's Human Resources manager will be able to resolve any concerns or questions that such employee might have.
- **Nemak Governance and Compliance Department**  
Employees may report concerns to Nemak's Governance and Compliance Department by sending an e-mail to: [governance@nemak.com](mailto:governance@nemak.com).
- **Integrity and Transparency Helpline**  
Nemak has a toll-free Integrity and Transparency Helpline in the countries listed below. Employees may submit anonymous reports to the Integrity and Transparency Helpline, or else, may indicate that they wish to be contacted.

Austria	0800-293-215
Brazil	0800-892-2016
China	+86-21-2068-9511
Czech Republic	800-701-160
Germany	0800-180-8939
Hungary	06-800-16476
India	000-800-100-5794
Mexico	01-800-265-2532
Poland	00800-112-4028
Spain	900-937-915
Slovakia	0800-606-251
USA / Canada	1-866-482-1957
Russia	880-0301-7408
Turkey	00-800-142-030-100

A report may also be submitted via e-mail to:  
[transparency@alfa.com.mx](mailto:transparency@alfa.com.mx).

- **No retaliation**

Nemak strictly prohibits retaliation against any individual who raises concerns in good faith regarding actual or suspected misconduct related to this Policy. Such retaliation would be grounds for discipline, against whoever intends to exercise it, including potential termination of employment. According to its obligations under applicable law and the enforcement processes established in Nemak's internal policies, Nemak will keep confidential the identity of anyone reporting possible wrongdoing to the extent reasonably possible. No one will have his or her job terminated, demoted, suspended, harassed, or discriminated against solely because they reported a possible violation.

#### **4. Contact Information**

For questions or comments about this Policy, please contact Nemak's Governance and Compliance Department by sending an e-mail to: [governance@nemak.com](mailto:governance@nemak.com).

#### **5. Revisions**

0, October – 2021

#### **6. Created / Approved by**

Nemak Legal Department – October – 2021