

### 1. PURPOSE AND SCOPE

Antitrust and competition laws prohibit agreements among and activities by competitors that undermine competition. Violations of these laws can lead to severe penalties, including substantial fines on Perrigo Company plc and its subsidiaries (“Perrigo”) and, in some countries, substantial jail sentences for individuals. These violations can also lead to private antitrust lawsuits against Perrigo and payment of damages. In the United States, any damages are automatically tripled.

This Fair Competition and Antitrust Policy (“Policy”) has been established to ensure that Perrigo complies with antitrust and competition laws in the countries in which it operates. This Policy applies to all Perrigo employees, temporary employees, contractors, consultants, operating groups, subsidiaries and departments worldwide (collectively referred to as “personnel”).

All personnel are expected to comply with this Policy. Any violation may result in disciplinary action, up to and including termination of employment or contract.

This Policy does not cover all the many complex aspects of antitrust and competition laws, but it does provide general guidance on some key antitrust and competition law issues. Contact the Legal Department if you have any questions about this Policy or the legality of any particular activity.

### 2. SPECIFIC PROHIBITED PRACTICES

You must not engage in the following prohibited practices:

#### A. Agreements with Competitors

***Agreements with competitors about pricing, customers, market allocation and boycotts are strictly prohibited by antitrust laws.*** You should not discuss any of these topics with Perrigo’s competitors without first speaking with the Legal Department.

##### 1. Pricing

- Agreements or understandings of any kind between competitors *about pricing* or that *affect prices* (e.g. freight charges, discounts, payment and credit terms, etc.) are all strictly prohibited and unlawful.
- Enforcement authorities may consider any communication of price-related information (even out of date or publicly available information) with a competitor as an implied agreement or understanding that could expose Perrigo or personnel to criminal or civil liability.
- Agreements with competitors concerning the wages or benefits provided to employees or other personnel are also strictly prohibited.

##### 2. Customers

- Generally, you should not discuss customers with competitors.
- Agreements with competitors to allocate customers or to serve or not serve certain customers are strictly prohibited and should not be discussed.

### 3. Market Allocation

It is unlawful to agree with competitors to allocate product markets, market shares, business opportunities, territories or customers.

For example, you cannot agree with an actual or potential competitor:

- not to obtain business from the other party's customers
- not to seek customers in the other party's home territory
- not to develop an improved product
- not to enter the market
- not to steal competitor employees or other personnel

### 4. Agreements to Boycott or Refusal to Deal

Perrigo, acting alone, generally has the right to select those parties it will do business with. However, when two or more parties agree not to do business with another party, such an agreement usually violates competition and antitrust laws.

## B. Customer Restrictions

### 1. Customer Prices

- **Agreements with customers dictating the prices at which the customer may sell Perrigo products are per se illegal under certain U.S. state laws and may violate U.S. federal law and the laws of many countries outside the U.S.**
- Consult the Legal Department before entering into any such agreement.

### 2. Tying Agreements

- Tying agreements are agreements where a seller conditions the sale of one of its products upon the buyer's agreement to buy another product from the seller.
- Such agreements may be unlawful depending upon a variety of factors. Consult the Legal Department before entering into any such agreement.

### 3. Price Discrimination

- Antitrust and competition laws generally require companies to offer similarly situated, competing customers the same price, price-related terms, promotional services, and allowances. However, a company may offer better terms to a specific customer to meet (but not beat) a competitor's offer.
- There are exceptions to this rule. Consult the Legal Department in any proposed transaction where one customer may be receiving a better "deal" than another similar customer.

### 4. Reciprocity

It may be unlawful in some cases for Perrigo to condition purchases of goods from a customer on the customer's purchase of goods from Perrigo.

### 5. Territorial Restrictions

Restrictions on the territories or areas in which customers can sell products raise concerns in Europe and certain other countries. Consult the Legal Department before reaching any such agreement.

### C. **Conduct Designed to Injure Competitors**

It is *not illegal* for Perrigo to promote its interests over those of its competitors through better products, better prices, or better service. Nor is it illegal for Perrigo to gain a high market share or even a monopoly position by having better products, better prices, better service or other competitive advantages.

**However, it may be illegal for a company to engage in unfair or exclusionary conduct (i.e., conduct designed to obstruct competitors, rather than promote competition).** The key question is whether the conduct at issue promotes legitimate, strong competition, or whether it is designed to use Perrigo's market power or market position to undermine competition on the merits. If you have doubts, contact the Legal Department.

Some examples of conduct designed to injure competitors that may violate antitrust or competition laws include:

#### 1. Pricing Below Cost

Pricing below cost is considered unlawful if it tends to create monopoly power, or in some countries, if the company has a dominant position in the market.

#### 2. Exclusive Dealing Contracts

- Exclusive dealing contracts may be lawful or illegal depending on the circumstances. Consult the Legal Department before negotiating or finalizing any such agreement.
- Two types of exclusive dealing contracts are common in the Company's business operations: (a) exclusive distribution agreements and (b) exclusive supply agreements. In exclusive distribution agreements, the Company may agree with a distributor (or vice versa) that the Company will not supply its products to another distributor in the territory. In exclusive supply contracts, a wholesaler or other customer agrees with the supplier to purchase a product only from the supplier.

#### 3. Tying

Conditioning the sale of one product on the customer's agreement to purchase another product can violate the antitrust laws in certain circumstances. Such agreements have the potential to unfairly limit or preclude competition for the "tied" product.

#### 4. Loyalty Discounts or Bundled Discounts

Loyalty discounts or bundled discounts that can be earned only by purchasing multiple products can result in antitrust liability if "equally efficient" competitors are unable

effectively to compete. The Legal Department should review any bundled discounts or loyalty discounts offered by Perrigo.

5. Differential Pricing

Charging different prices to similarly situated customers that compete with one another can violate the antitrust laws if the differential pricing provides a competitive advantage for the favored customer.

**D. Intellectual Property Restraints**

1. License Restraints

- While many licensing restrictions are lawful, terms that restrict international trade or restrict competition beyond the scope of the intellectual property rights may violate antitrust laws.
- Exclusive patent licenses between potential competitors are subjected to heightened scrutiny.
- Because of the many technical legal rules relating to intellectual property licenses, consult the Legal Department before negotiating or finalizing such licenses.

2. IP Litigation Settlements

- Settlements of IP litigation with the following characteristics have received heightened antitrust scrutiny: (1) payments by the patent holder to the alleged infringer in excess of litigation costs; (2) restrictions on the market entry of generic substitutes; and (3) restrictions on the ability of a generic company to exercise or to relinquish rights to 180 days of market exclusivity.
- Consult the Legal Department early in the process when considering settlement of any IP dispute.

**E. Import and Export Restrictions in the European Union**

In the European Union, competition authorities apply their competition law to promote parallel imports among member countries. Agreements that tend to obstruct parallel imports are automatically suspect, so you need to consult the Legal Department before using such restrictions.

Examples of problematic contract clauses include:

- a clause in a contract with a wholesaler in member country A that prohibits the wholesaler from selling the Company's product in member country B;
- a clause in a contract with a wholesaler in member country A that prohibits the wholesaler from selling the Company's product to a customer who in turn might export the product to member country B;
- a clause in a contract with a wholesaler granting the wholesaler service or other guarantees that are only applicable if the end user is in the same country as the wholesaler;

- a clause in a contract with a wholesaler offering the Company's product at a more favorable price, or on more favorable terms, if the product is resold only in the same country, with a higher price and/or less favorable terms if the product is exported.

### F. Obtaining Competitive Information

General business information about competitors, customers and vendors is important to maintain and improve upon our competitive position both in terms of products and technology. However, you must use only ethical and legal means to gather competitive information – improper means include misrepresentation, deception, theft, spying or bribery to develop or obtain competitive information. In addition, you must not:

- induce present or former employees of competitors, customers or vendors to disclose any of the competitors' proprietary or confidential information (even if such information is offered gratuitously, it should be refused), or
- question any fellow personnel in a manner that is likely to result in proprietary or confidential information of a previous employer being disclosed.

#### 1. Use of Competitive Information

Certain competitive information can be used fully and freely, such as information that is available in trade and other publications, obtainable by analysis of a competitor's marketed products, or disclosed in formal presentations at public meetings. However, when information is received privately or in small group discussions, use care to determine whether the information is considered secret or whether a confidential relationship is being breached. If either condition exists, you should avoid receiving the information.

#### 2. Recruitment and Hiring

You should not recruit or hire people for their knowledge of proprietary information of current or former employers that are competitors, customers or vendors of Perrigo. New employees and other personnel should be advised against disclosing or using any proprietary or confidential information of their former employer. However, all personnel can and are expected to otherwise make full use of the skills, experience and general knowledge learned in their previous employment.

### 3. RECOMMENDATIONS

You need to be careful in your writings and communications to avoid using words and phrases that might suggest or be misunderstood to indicate antitrust or competition law violations.

#### DO NOT:

- use expressions implying guilt (e.g., "Please destroy after reading")
- discuss prices or pricing policies, exchange price lists, or discuss other terms of sale with competitors. If a competitor attempts to discuss pricing with you,

refuse, tell them to stop, depart from their company immediately and inform the Legal Department. (You may obtain pricing information about competitors from customers or publicly available sources.)

- discuss future production, restraints on production, product content or marketing plans with competitors
- suggest or agree with a competitor to sell or to refrain from selling to any customers, territories or product markets
- use words that might falsely imply that a course of action is being pursued as a matter of “industry agreement” or “industry policy” rather than as a matter of Perrigo’s individual decision and self-interest
- give favored prices, promotional allowances or services to one reseller that competes against another unless there is legal justification – i.e. “meeting competition,” cost justification, equal availability and functional discounts
- speculate as to the legal propriety or consequence of conduct

***Instead. . .***

**DO:**

- compete vigorously, independently, ethically and in compliance with all applicable laws and regulations, including antitrust laws
- be alert to those situations that may require advance legal review, such as terminating a customer, responding to governmental inquiries, pricing the same product differently to direct competitors, entering into agreements with a competitor, etc.
- bring legal issues to the Legal Department before you act and seek the counsel of the Legal Department when in doubt
- avoid exaggerations (e.g., "This new venture will destroy the competition")
- refrain from stating legal conclusions and from paraphrasing legal advice received from the Legal Department unless you are an attorney
- be careful in describing competitors, their actions, and their prices (e.g., “ABC Co. will go along with this pricing”)
- in discussing information about competitors, identify the sources of the information to dispel the impression that the information might have come from the competitors themselves (e.g., “According to XYZ Co., ABC Co. raised its price 15%”).

For questions or help with understanding this policy, please contact the Legal Department.



## FAIR COMPETITION AND ANTITRUST POLICY

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