

 <b>Molson Coors Brewing Company Policy</b>	<b>Policy Title:</b>	Global Competition Policy
	<b>Effective/Revision Date:</b>	11 October 2016
	<b>Policy Owner/Contact:</b> (Position title only):	MCBC Chief Legal & Corporate Affairs Officer/Business Unit Chief Legal & Corporate Affairs Officer
	<b>Policy Approver:</b> (Position title only):	MCBC Chief Legal & Corporate Affairs Officer

***Policy Overview/Description***

**PURPOSE:**

The purpose of this Policy is to provide an understanding of the basic competition laws that govern Molson Coors Brewing Company’s (“MCBC” or “Company”) business. It is not, however, intended to describe the law completely or address every potential issue. If you think there may be competition law concerns related to a certain situation, please work with a member of the Legal department to resolve these issues when they arise.

**SCOPE:**

This Policy applies to all employees of MCBC, including its subsidiaries and businesses and to any person doing business on behalf of the Company or representing the Company, such as agents, contract employees, temporary employees, consultants, and subcontractors.

**POLICY:**

MCBC follows what are called “competition” laws in many countries and ”antitrust” laws in others – laws that promote or protect free and fair competition around the world in order to bring more choices and better quality and prices of goods and services to consumers.

Such laws seek to eliminate or control practices that significantly prevent, restrict or distort competition in the market. For example, competition laws prohibit certain behavior, such as agreements between competitor companies on the price of a product or service (referred to as price-fixing). Failure to comply with these laws may lead to adverse consequences for individual employees and MCBC, including fines, lawsuits, reputational harm, and criminal penalties.

**Facts about competition laws.**

*Competition laws vary around the world.*

Many countries have laws prohibiting anti-competitive behaviors. So, depending on where you work, the laws that apply to you may vary. Because of this, we have guidelines tailored to the primary countries in which we operate. Please be sure to consult the country specific guidelines that are relevant to your role in the Company.

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*Competition laws can cover conduct outside the country in which you work.*

Some competition laws – such as the Canadian, U.S., and EU antitrust laws – apply even to conduct that occurs outside the relevant country or countries’ borders but which has anti-competitive effects within that country.

*Careless conduct can break the law.*

A seemingly innocent business contact – such as a lunch discussion with a competitor’s sales representative or a business chat at an industry trade association – can be viewed as an attempt to send an anti-competitive “signal” to competitors. Even the appearance of compromising activity might be viewed as breaking the law.

**Why is compliance important to MCBC?**

MCBC strives to conduct its business activities with honesty and integrity and in accordance with the highest moral, ethical, and legal standards. Therefore, MCBC has a policy of absolute compliance with global competition laws. All of our employees are required to strictly adhere to this Policy and breaches of competition law will not be tolerated.

It is inevitable that given our industry and position in the marketplace, MCBC may be scrutinized by regulators as well as by our customers and competitors. In addition to possible legal proceedings and investigations by regulators, any anti-competitive behavior on our part could attract adverse publicity; have a negative impact on our reputation; potentially distract us from our business; and will be costly in terms of time and money.

Compliance with competition law benefits consumers and also helps us: if our competitors and suppliers abide by the rules, as we do, it creates an environment where we can compete effectively; and if competitors and suppliers do not abide by the rules and we are victims of their anti-competitive behavior, it provides recourse for us under the law.

Employees of MCBC should not encourage our distributors or other partners to take any action prohibited by competition law. If these guidelines suggest that a particular action is inappropriate for MCBC, then we cannot recommend or otherwise suggest that a distributor or other partner take such action. If you become

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aware of a distributor or other partner engaging in behavior that may violate competition law, please inform a member of the Legal department immediately.

**Key Points.**

1. All employees must be familiar with this Policy and the competition laws of the country in which they operate and must complete all required country specific competition law training. If in doubt, consult the Legal department.
2. Violation of competition laws, even if unintentional, may result in liability for substantial fines, reputational damage, and subject MCBC to lawsuits.
3. An employee who engages in conduct that violates applicable competition laws may be subject to disciplinary action, up to and including termination, by the Company. They may also face criminal penalties.
4. Agreements do not need to be in writing for them to be illegal. All that is needed is some evidence that the parties agreed to something that significantly harmed competition.
5. Remember that competition laws also regulate certain conduct between MCBC and our suppliers and customers, particularly in countries where MCBC is deemed to be dominant as a result of having a large market share. In such countries, MCBC may be subject to even greater regulation than our smaller rivals.
6. Be careful with your language, whether written or oral. Competition regulators often put great emphasis on what a business says about itself.  
REMEMBER:
  - We operate in the beer market; do not wrongly suggest that the market is narrower than this.
  - Avoid “power” and “domination” language that suggests that we are immune to competitive pressures; as everyone knows, we are not.
  - A poor choice of words can make a perfectly legal activity look suspect.
7. Discussions with competitors as a result of perfectly legal commercial relationships should only be conducted by those authorized to do so and cover only information necessary to the functioning of that relationship. Likewise, discussions with competitors at industry trade associations should be limited to topics of general industry concern.

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## DEALING WITH COMPETITORS

### Who is a competitor?

Competition laws regulate what competitors can and cannot do to succeed in the market. MCBC competes against a wide range of companies, from large corporations that produce hundreds of brands of beer all over the world, to small craft breweries that produce a handful of beers in a single city. In addition, MCBC may own part or all of another brewer. Partial ownership can take several forms: a minority interest (less than half), a majority interest (more than half), or a joint venture. Competition laws determine which companies are considered competitors and which companies are considered a part of MCBC. This determination is important because MCBC can do things, like share information and enter into certain agreements, with companies that are a part of MCBC that it cannot do with competitors. It is usually easy to tell which companies are competitors and which ones are not. MCBC and the companies that it wholly owns (such as MillerCoors) are considered one company, and therefore cannot be competitors. However, be careful when MCBC does not own 100% of a company. Competition laws can require that MCBC treat its joint ventures, majority interests, and minority interests as separate companies.

### Entering into agreements with competitors.

Agreements and understandings between competitors as to any aspect of their conduct in the market are generally unlawful. Remember that competition law applies not only to formal written agreements, but also oral agreements, understandings, “gentlemen’s agreements”, non-binding agreements, and potentially even action which is taken with an unspoken “common understanding” in mind. Certain arrangements almost always break competition laws of any country.

- **Never talk with or exchange information with competitors to:**
  - Fix prices – this can include setting minimum or maximum prices, setting price increases or discounts, or agreeing to pass on fees, surcharges, or other costs to the customer.
  - Fix terms related to price, pricing formulas, credit terms, etc.
  - Divide up markets, customers or territories between companies.
  - Limit production, including agreements to shut down capacity.
  - Manipulate a competitive bidding process, including arrangements to submit false bids.

Immediately inform the Legal department if a competitor contacts you regarding any of the above listed agreements or arrangements.

- **Because other activities may also raise competition issues, always consult with the Legal department before:**
  - Entering into joint ventures, mergers, acquisitions and marketing, purchasing or similar collaborative arrangements with competitors. Even preliminary discussions with competitors about any of these activities can raise competition law issues. So, consult with Legal before any meetings or discussions take place.

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- Providing services as a director or consultant in a company that competes with us.

**Communications with competitors.**

In general, contact with competitors should be minimized.

The exchange of information between competitors, although not always anti-competitive, may raise competition law issues. This is more likely to be the case if the exchange is frequent and the information in question is particularly sensitive and detailed. Note that this rule includes the direct exchange of data or providing information to a third party with the intention that the third party will pass it on to one of MCBC’s competitors.

The risk of violating competition laws will be lower if the information to be shared with competitors is public, historical, aggregated, anonymized and/or does not contain commercially sensitive information. Below are examples of information generally deemed to be “commercially sensitive.” Such information must not be shared with a competitor:

- Prices and terms of discount (e.g., actual, and future prices, discounts, increases, reduction or rebates)
- Promotions
- Credit terms and general terms of sale, delivery and payment
- Marketing plans
- Market share information
- Quantities of products produced and sold
- Operating expenses, including production and other cost (e.g., costs of supplies and operating expenses)
- Margin and profit data (including turnover)
- Business plans or views on business risks
- Customer classification and customer lists
- New products and investment plans

If you are unsure whether information may be exchanged, please consult with the Legal department.

*Trade associations.*

Trade associations can perform useful and legitimate functions, such as the enhancement of safety within a particular industry. But because trade associations place us in close proximity with our competitors, their membership and activities require us to follow special cautionary guidelines.

Employees must not engage in discussions or activities that would lead to the allegation or appearance of improper behavior. Therefore, do not join any meeting that has an anti-competitive purpose. Always have a written agenda, or ask for a written agenda from the trade association in

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advance of the meeting, and ensure that there are no competitively sensitive items listed before attending any meeting. During a meeting, minutes are taken and there must be no discussion, or sharing of commercially sensitive information. This applies not only to discussions in formal meetings but also to informal discussions before, during and after meetings. You are allowed to discuss purely non-commercial, industry-wide issues such as technical standards, lobbying and safety matters.

Even passive participation in a meeting where a suspicious discussion is taking place can put you and the company at serious risk. If you find yourself in this type of situation, you must make it clear that you believe the discussion is improper, break away from the discussion, ensure that the minutes of the meeting and your personal notes record your departure, and always promptly inform the Legal department. You should always consult with the Legal department if you are in doubt about proper behavior at trade association or any other meetings where competitors are present.

*Gathering competitor information.*

Competition laws can make obtaining competitor information difficult since direct or indirect contact with competitors can have serious legal consequences. However, in order to compete effectively in the global marketplace, it is necessary and, if done correctly, legal to gather competitor information. At MCBC we conduct rigorous, lawful competitor intelligence gathering. We use only publicly available literature, industry information, and other sources to understand business, customer and supplier directions, technology trends, regulatory proposals, and developments. MCBC gathers this information the right way. Some forms of information gathering are always wrong.

Examples of the wrong way include:

- Theft
- Illegal entry
- Bribery
- Misrepresentation of your identity
- Electronic eavesdropping
- Direct communications with competitors

Even if competitor information is publicly available, MCBC still may not contact its competitors to obtain or confirm that information.

We are committed to avoiding even the appearance of improper information gathering. When you lawfully obtain competitor information, you should note who provided the information, who they work for, and the date on which it was provided. When identifying the individual who provided the information, write down enough identifying information so that someone unfamiliar with that individual could determine that the information was obtained lawfully. For example, rather than identifying a source as “John,” identify him as “John, Sales Rep at Distributor X.”

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If you suspect that a piece of competitor information in your possession might be considered confidential information of a competitor, you must contact the Legal department immediately.

*Relationships with other brewers.*

MCBC has contractual relationships with several other brewers in countries around the world. In some countries, MCBC brews and/or distributes and markets brands owned by a competitor. In other countries, a competitor brews and/or distributes and markets a brand that MCBC owns. These relationships are pro-competitive, as they allow brewers to more efficiently bring brands to customers that otherwise may be out of reach.

Because these relationships require MCBC employees to be in contact with our competitors, employees with responsibilities related to these relationships receive specialized training on competition law and appropriate communication with contract partners. In addition, information that we receive from our contract partners is only shared with those employees who need to know it in order to perform their jobs. These restrictions on information sharing come both from competition laws and from our contracts with our partners.

Unless you have received such training and have been expressly authorized by the Legal department to provide information to a competitor in connection with one of these contractual arrangements, continue to follow the guidelines above regarding communications with competitors and do not provide competitively sensitive information to a competitor.

MCBC employees who are not involved with the maintenance of these relationships may not have access to certain information about MCBC's distribution and marketing activities, and your coworkers who are authorized to have this information may refuse to discuss certain topics with you. If you think that you need access to any information that has been restricted due to these relationships, seek advice from the Legal department. If you receive any restricted information you have not been previously cleared to receive, contact the Legal department immediately.

**DEALING WITH SUPPLIERS, DISTRIBUTORS, AND CUSTOMERS**

Remember that competition rules also govern agreements or arrangement with suppliers, distributors, and customers. Therefore, certain methods of doing business with suppliers, distributors, and customers can violate competition laws.

Consult with the Legal department before taking any of the following actions:

- Establishing exclusive dealing arrangements (e.g., contracts that require a company to buy or sell only from MCBC) or refusing to deal with a customer.

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- Granting promotional allowances or discounts conditioned upon a customer sourcing all or most of its requirements from MCBC.
- Tying or bundling together different products or services (e.g., contracts that require a buyer who wants one product to also buy a second ‘tied’ product).
- Setting mandatory, minimum, or maximum resale prices with resellers (distributors).
- Charging different prices to different customers can be illegal in some areas and under certain circumstances. Employees with authority to set prices need to understand the requirements of the law in their location and to consult with the Legal department on pricing practices.
- Pricing below cost in an attempt to eliminate competitors that do not have the power to match such prices for any considerable length of time.

**Procurement.**

In order to make its products, MCBC needs to buy a variety of different goods and services. In some cases, we buy large quantities of these products and, as a result, are a very important customer to our suppliers. In that case, suppliers may be willing to offer MCBC prices and other terms that it does not offer to other customers. This is a normal part of buying in bulk, but it is possible for a company to be too important to its suppliers.

If one company is a sufficiently large buyer of a product, it may be able to force suppliers to accept unfair or harmful terms. This can violate antitrust laws, so consult with the Legal department when considering any joint purchasing agreements and any other activities that would dramatically increase MCBC’s buying power.

**Relationships with distributors and retailers.**

MCBC relies on networks of distributors and retailers to sell our beer to consumers. These distributors and retailers are, for the most part, independent businesses and need to be treated as such. Beer may be sold several times before it reaches the consumer. MCBC may sell the beer to a distributor (or retailer, depending on the country); the distributor may sell the beer to a retailer; and the retailer may sell the beer to the consumer. MCBC is allowed to set the price at which it sells the beer to a distributor (or retailer). However, competition laws limit what MCBC can do to influence the price at which our direct customers resell the beer.

MCBC can suggest resale prices to our distributors and retailers, but competition laws may prevent us from setting minimum or maximum prices, punishing distributors and retailers for not following our suggestions, agreeing to a fixed profit margin for a distributor/retailer, and setting the actual price to consumers. Any contact beyond the mere communication of recommended resale prices, such as repeated and insistent discussion of actual resale prices, calls the recommended price’s non-binding character into question and can be considered as an exertion of unlawful pressure. You should always check with the Legal department first if you intend to recommend prices.

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In addition, be careful when selling the same product to different distributors (or retailers) in a single market at different prices. Favoring one distributor (or retailer) at the expense of another may violate competition laws.

Many MCBC distributors have exclusive territories, and therefore do not compete with one another. However, in some cases MCBC's distributors (or retailers) do compete with one another. The distributors may not have exclusive territories or may compete in the sale of their non-MCBC products. If MCBC helps those distributors coordinate their activities, it may violate competition laws.

Moreover, many of MCBC's distributors (or retailers) also sell brands owned by MCBC's competitors. Discussing a competitor's brands with a distributor can violate competition laws.

Finally, while MCBC is normally not directly responsible for retailers' or distributors' activities, employees should be able to spot and know when a customer's behavior violates competition law. If you are aware that a retailer or distributor may be engaged in anti-competitive activities, you must report this to the Legal department.

You must not request or propose that MCBC distributors or retailers engage in any behavior that may violate competition law.

### **INTERNAL COMMUNICATIONS**

The competition authorities put great emphasis on what a business says about itself, so it is important to take great care when drafting documents including email correspondence. A wide range of internal documents are likely to come under scrutiny during a competition investigation, even those which you might consider confidential, such as emails, electronic calendars, instant messages, phone recordings, diaries, telephone call records, computer records, electronic databases, personal note books, etc.. A poor choice of words can make a perfectly legal activity look suspect and can be used as evidence against MCBC. Therefore, please follow these drafting guidelines:

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DO	DON'T
<ul style="list-style-type: none"> <li>✓ Bear in mind the enduring nature of email and other documents, even when “deleted.”</li> <li>✓ Consider whether you need to write anything down.</li> <li>✓ Discuss with the Legal department if you think it might be a sensitive area.</li> <li>✓ State clearly the source of any pricing information (so that it does not give the false impression that it came from talks with a competitor).</li> <li>✓ Label accordingly, documents that are privileged or confidential.</li> <li>✓ Keep only the final draft (except where subject to a litigation hold).</li> <li>✓ Limit distribution of copies.</li> <li>✓ Ask yourself the following questions: <ul style="list-style-type: none"> <li>○ Would the document be suitable to be signed by the Chairman/CEO?</li> <li>○ Would you like to see the document on page 1 of the newspaper?</li> <li>○ Would you want a government agency or investigator to read it?</li> <li>○ Would you want a competitor to see it?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>X Use words that imply a harmful motive or intent.</li> <li>X Use language that suggests “guilt” (e.g., “destroy after reading” or “no copies”).</li> <li>X Use damaging statements of fact or exaggeration.</li> <li>X Use negative or incriminating conclusions or opinions.</li> <li>X Use language that suggests power or domination (e.g., “dominate the market” or “we have eliminated the competition”).</li> <li>X Use language that suggests you are trying to tacitly conspire with competitors (e.g., “signal the market”).</li> <li>X Use language that suggests market coordination (e.g., “joint control” or “just follow Competitor ABC” or “Competitor ABC will punish us if we discount too much”).</li> <li>X Refer to particular beverages as “must stock” items.</li> <li>X Use aggressive language when referring to competitors (e.g., “attack” or “destroy” or “eliminate”).</li> <li>X Suggest that an industry view has been reached on a particular issue such as price level/new product initiatives,</li> <li>X Speculate about whether an activity is legal or illegal.</li> </ul>

The above guidelines apply equally to communications by email and voicemail, and annotations of documents originated by others.

***Always seek advice from your manager and/or the Legal department if you are unsure about the legal position. If you have any doubt, seek advice before you commit anything to paper.***

In addition, there are some documents that, in general, are not submitted to regulators or litigants. For example, communications with MCBC’s lawyers and documents prepared at the request of a lawyer sometimes do not have to be produced to regulators or litigants. However, MCBC can only withhold those privileged documents that it can identify. When communicating with lawyers or preparing work for lawyers, be sure to mark the documents as “Privileged & Confidential” or “Prepared at Request of Counsel” or “Attorney-Client Communication.”

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## DAWN RAIDS AND ENQUIRIES

Many competition regulators have extensive powers to investigate possible infringements of competition law. They can require MCBC or our employees to produce documents; inspect and take copies of documents; and ask questions about what they find. In addition, some regulators may come to our offices or enter the homes of MCBC directors, managers, or other employees to conduct inspections. This action is often referred to as a “dawn raid”.

In case of a dawn raid, you should follow these guidelines:

DO	DON'T
<ul style="list-style-type: none"> <li>✓ Contact the Legal department and outside counsel immediately.</li> <li>✓ Cooperate fully with the officials and always act calmly.</li> <li>✓ Keep a record of all documents copied and questions asked by the officials and the answers given.</li> </ul>	<ul style="list-style-type: none"> <li>X Make any attempt to hide or destroy any documents.</li> <li>X Allow the officials to search files unsupervised.</li> <li>X Grant access to legally privileged documents or those outside the scope of the inspection as we do not have to.</li> </ul>

Exercise the same care when dealing with written requests for information or telephone enquiries from a regulator. All such enquires should be referred without delay to the Legal department.

Ensure you review the separate Dawn Raid Guidelines regularly which are maintained by your business unit legal department. Please contact the Legal department if you have any questions on the Dawn Raid Guidelines.

### **QUESTIONS OR REPORTS:**

If you have a question about this policy, contact either your local Legal department or the Ethics & Compliance Helpline: [www.ethicspoint.com](http://www.ethicspoint.com) or through your company’s intranet site.

If you are concerned that a competition law violation could occur, is occurring, or has occurred, report the matter immediately to any of the following:

- Chief Legal Officer of your business unit;
- Ethics & Compliance Helpline: [www.ethicspoint.com](http://www.ethicspoint.com) or your business unit intranet site.
- VP Global Ethics & Compliance - Telephone: 303-927-2383.

### **REFERENCE INFORMATION:**

Country-specific Competition Law Handbooks  
Dawn Raid Guidelines

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**This policy is also available in the following languages (please check all that apply):**

- |               |            |             |            |
|---------------|------------|-------------|------------|
| ✓ Bulgarian   | ✓ Chinese  | ✓ Croatian  | ✓ Czech    |
| ✓ French      | ✓ Hindi    | ✓ Hungarian | ✓ Japanese |
| ✓ Montenegrin | ✓ Romanian | ✓ Serbian   | ✓ Spanish  |