LATICRETE INTERNATIONAL, INC.

Global Antitrust Compliance Policy

LATICRETE INTERNATIONAL, INC. ("LATICRETE" or the "Company") is committed to maintaining the highest standards of business conduct and ethics everywhere we operate or do business. This means that we all must comply with applicable competition laws. LATICRETE is committed to complying with the rules related to competition in all markets where it participates. We are convinced that healthy competition stimulates and drives us to satisfy our customers, and to improve as a company. Therefore, this Global Antitrust Compliance Policy ("Policy") develops the general principle of competition adopted by the company, according to which we support free competition, and promote the sales of our products using fair, legal, and ethical means.

Over one hundred countries have enacted competition laws. Failure to comply with these laws can have considerable negative consequences, including both reputational damage and financial penalties to both the company and the individuals who engage in the misconduct. In some countries, violation of competition laws may be a criminal offense for the company and/or its representatives.

This Policy include a general explanation of the applicable competition rules. It also details certain rules of conduct that apply in virtually all aspects of the sale of our products.

Understanding and complying with competition rules is essential to our company's continued success. Therefore, the objective of this Policy is to help you avoid breaches of applicable competition laws, as well as to identify the situations in which you must act with special care and/or request advice from the Compliance Department. In addition, this Policy should help you identify those situations in which our competitors, customers, or suppliers may be violating competition laws to negatively impact LATICRETE and/or its consumers.

This Policy addresses potential issues that may arise during LATICRETE's commercial operations. Please note that mergers, although also regulated by competition laws, are outside the scope of these guidelines.

It is important to note that this is not an exhaustive guide. When in doubt about the requirements of this Policy or competition laws, it is suggested to consult with the Compliance Department before acting.

This Policy applies to all LATICRETE board members, officers, employees and agents worldwide. It also applies to all LATICRETE business units and subsidiaries, and to all joint ventures over which LATICRETE has operational control. Compliance with this Policy is mandatory. This Policy uses the term "employee" collectively to refer to all individuals and entities to which it applies. If local law or a business unit imposes stricter requirements than those described in this Policy, employees must comply with those rules, as applicable.

LATICRETE expects all of its employees to report any instance of non-compliance with applicable competition laws and inquire about any activity that may not comply with such laws.

SUMMARY OF COMPETITION LAWS

In nearly all countries that have enacted competition laws, the rules regulate the following types of conduct:

- Anti-competitive agreements or practices
- Abuse of market power

This Policy sets forth a condensed general outline of these types of anti-competitive conduct and then considers them in more detail, offering practical guidance on how to avoid engaging in such practices.

In this context, much of the competition laws are aimed at "agreements" that hinder or prevent competition. For purposes of these laws (and this Policy), the meaning of "agreement" is fairly broad. It extends to all forms of agreements, including written agreements, verbal agreements and even tacit understandings that are reached through a course of conduct or other forms of communication. Whenever the word "agreement" is used in this Policy, be aware that the term is being used in this broad sense. It is possible to violate competition laws by an informal verbal understanding or inferred from conduct and other data. No written contract or express agreement is required. Examples include, but are not limited to, telephone calls, emails, meetings, attending the same trade show, conduct in bidding situations, timing of pricing decisions and participation in trade association meetings.

Some conduct, in order to constitute an infringement, must be carried out by a company with a dominant position in the market (or "market power" as it is called in some jurisdictions). Having a high market share is not wrong in itself. The existence or achievement of a dominant position through normal competitive behavior, such as organic growth or technical or commercial superiority, is not itself objectionable or illegal. It is the abuse of market power that is wrong, rather than mere dominance. Practices, which may be legal for a non-dominant company, may constitute an abuse of market power for a dominant company. Care must therefore be taken to prevent such abuse.

A dominant position is generally defined as the power to control prices or production or exclude competitors from the market. Usually, it is found where a company has a significantly high market share. Depending on the country, a 50% market share (or in some cases less) may be indicative of market power - although there is no absolute rule. Other factors may also be considered, such as barriers to entering the market, the relative size of competitors and the bargaining power of customers. However, each country may define market power differently and consider different factors to determine whether a company has market power and the degree of such power.

EMPLOYEE AND AGENT STANDARDS OF CONDUCT

I. Part One: Relationships with Competitors

The most zealously prosecuted competition law violations involve relationships between competitors. These relationships are particularly risky under competition laws because of the possibility that competitors may attempt to increase profits by fixing the terms on which they will compete or by agreeing not to compete against one another in some way. The highest penalties are generally imposed in these types of cases.

a. Horizontal Pricing Fixing

"Horizontal price-fixing" refers to the process of competitors agreeing among themselves, directly or indirectly, about the prices they will charge. Price fixing between competitors is a fundamentally anti-competitive act. It should always be avoided.

Any arrangement between LATICRETE and its competitors to fix, raise or lower prices will be regarded as price fixing, as will arrangements that affect prices indirectly, such as agreements about components of price, agreements about the process by which prices are set, and agreements not to bid against someone else for business.

These are the standards every employee and agent MUST follow:

- Never agree with any competitor about the price a customer will be charged. Never discuss prices with competitors. Never exchange price information with a competitor.
- Never agree with any competitor about a component of price that a customer will be charged, e.g., the charge for transportation, credit, particular services, etc. Never discuss such components of price with competitors.

- Never agree with a competitor about the process of setting prices, for example, the process of competitive bidding or the formula for calculating a price or the component of a price.

- Never agree with a competitor about the prices paid to suppliers, compensation paid to employees, or any other factor or element that may affect the cost of the products.

b. Market Allocation Agreements

"Market allocation agreements" refers to agreements among competitors to divide up markets in some way, e.g., by territory, product line or customers. Quantitative arrangements, where competitors agree on the quantities of the products and services they will sell or the market share they will maintain, are also prohibited. These kinds of agreements are almost always constitute a violation of competition laws.

These are the standards that every employee and agent MUST follow:

- Never discuss or otherwise commit to an agreement or understanding with a competitor regarding the territories where LATICRETE will sell products.

- Never discuss or otherwise commit to an agreement or understanding with a competitor regarding the various products that LATICRETE will sell.

- Never discuss or otherwise commit to an agreement or understanding with a competitor regarding the customers to whom LATICRETE will sell its products.

- Never agree to a joint request or demand by two or more distributors to divide up territories, products, or customers. If you are approached by two or more distributors making such a request or demand, inform them that it is the Company's policy to reject such joint requests or demands. Refrain from any further discussion with them and report the matter immediately to your business unit leader and the Compliance Department. Take notes of the event, including the parties involved, your actions and statements.

- Never agree to limit output or purchases with a competitor.

Per strict Company policy, LATICRETE will not share markets or customers with competitors. LATICRETE will compete vigorously for all sales.

c. Boycotts

"Boycotts" refers to agreements among competitors to refuse to deal with a particular party. In general, such agreements are unlawful except for rare cases (for example, if the Company enters into a joint effort to engage in research, development or production with a competitor, the participation in such a venture would typically be limited to a fixed number of companies).

These are the standards that every employee and agent MUST follow:

- Never discuss or commit to an agreement or understanding with a competitor regarding a refusal to engage with another party (except in the context of a legitimate joint venture and appropriate company officials have approved the standards of conduct regarding such a joint venture).

- Never try to obtain more favorable terms from a customer or supplier by agreeing with a competitor to refuse to deal with the customer or supplier.

- Never discuss or commit to an agreement or understanding with a competitor regarding a refusal to engage with a customer or supplier unless the customer or supplier ceases transacting business with another of our competitors, or otherwise coerced into changing its normal business practices.

d. Communication with Competitors

Some communication with competitors is legitimate. However, communications about certain business conditions and activities are unlawful and/or risk misinterpretation.

These are the standards that every employee and agent MUST follow:

- Never discuss prices or our internal process of setting prices with competitors. This includes, for example, past, current, and future prices; the process of setting prices; bidding for contracts; the manner in which prices are determined; and the components of price. Do not exchange price lists, customer lists or other pricing documents with competitors.

- Never make a statement that could be interpreted to invite, encourage competitors to take certain actions or discourage competitors from taking certain actions. For example, never say publicly or to any competitor that "prices are too low," or make similar statements that could be interpreted as an invitation to the competitor to respond.

- Never discuss with competitors the terms on which the Company is dealing with a particular customer or plans to do so in the future. Never comply with a competitor's request to reveal the price that the Company charged a particular customer.

- Never discuss with competitors the territories in which the Company sells or plans to sell products, how it plans to conduct business with its distributors, or what product lines it intends to sell in the future.

- Never discuss our strategic plans, including future product development and commercial strategies with competitors. Such discussions may be interpreted as an invitation to coordinate future activities.

e. Bid Rigging

Agreements or understandings (written or oral) between competitors regarding prices or terms and conditions to be submitted in response to a bid are generally prohibited. This also includes the decision on whether to participate in the bidding process. LATICRETE's employees and agents should never discuss or agree to the terms of a bid with competitors.

f. Communications within Trade Organizations

Most trade organizations meet for legitimate purposes, such as legislation, safety, public policy and other matters. However, they must not be used (or perceived as an opportunity) for anti-competitive agreements or arrangements.

Information exchanges and cartels frequently arise in trade associations or other industry bodies who compile statistics or undertake benchmarking exercises based on member companies' data. Because trade associations are, by definition, composed of a group of competitors, they can easily provide opportunities for (formal or informal) discussion of confidential commercial matters, which could give rise to informal anti-competitive agreements. They therefore tend to be regarded with suspicion by competition authorities. Remember, any conversations regarding prices, customers, volumes, business strategy and similar topics must be avoided at all times, before, during and after meetings.

Trade associations' meetings rarely raise competition law concerns. However, do not hesitate to speak up if you believe that the discussions at the meeting are inappropriate or appear to violate competition laws. In extreme cases, you may need to leave the meeting if any discussion delves into one of the prohibited topics mentioned above. In such a case, make a record that you expressed your concerns and left the meeting. You should also notify the Compliance Department.

Industry Surveys

LATICRETE may periodically by asked to participate in a survey that collects and publishes information about pricing, sales volumes and other Company confidential information. If these surveys are undertaken without following specific precautions, they may result in antitrust liability for the participating companies. Therefore, no employee should contribute to an industry survey without first discussing with the Compliance Department.

Standard Setting

Participation in legitimate product standard-setting activities with competitors is permissible. However, in order to be clearly lawful, standard setting organizations and activities must comply with these standards:

- Adherence to the standards must be voluntary.
- The standards must be based on legitimate considerations, such as safety, quality and convenience to customers, not a desire to exclude or limit competition; and
- The process of establishing a standard must be fair to all participants.

Code of Conduct

Participation in trade association efforts to develop and implement codes of conduct is also usually permissible. In general, the guidelines for participating in these activities are the same as those for participating in standard-setting. Codes of conduct must be based on legitimate considerations, such as ethical and legal standards, rather

than efforts to exclude or limit competition. In some cases, a code of conduct may be binding on participants in the sense that sanctions are imposed on companies that do not follow the code (e.g., expulsion from an organization).

An otherwise unlawful agreement does not become lawful simply because it is labeled a "code of conduct." A code of conduct that limits competition can still be unlawful even if there are legitimate reasons for it. For example, a code of conduct that purports to keep unsafe products off the market may violate the competition laws if the code limits competition in the sale of legal products.

Legislative Activities

Communication and agreements with competitors about legislative activities, including lobbying and making submissions to government agencies, is permissible under Competition Laws (and may be subject to other applicable laws and regulations). When these activities are permitted by other laws, these communications and agreements must be confined to good faith, reasonable attempts to influence government actions, for example, lobbying for legislation, making recommendations to regulatory agencies, or filing well-founded complaints with governmental agencies. These kinds of communications and agreements cannot extend to business actions that the Company is taking or plans to take.

Data Collection

Many trade associations collect information from members and compile it for distribution to the public or to members. If a trade association seeks to collect information that is competitively sensitive, it must take steps to ensure that the collection and use of the data are not harmful to competition. In the event that a trade association asks to collect competitively sensitive information, make sure that they are taking steps to comply with competition laws.

g. Public Price Announcements

It is permissible for employees to make available to individual customers and potential customers the Company's price lists. However, some use of price lists and price announcements can raise serious competition law concerns.

These are the guidelines every employee and agent must follow:

- Never furnish a price list to a competitor.
- Never furnish information to a competitor from which prices can be computed.
- It is permissible to obtain occasionally a competitor's price list from a customer, or other third party, unless the customer or third party serves as a regular vehicle for sharing price lists. In that case, the third party may be viewed as an element of an overall agreement among competitors to share price information. If an employee or agent of the Company obtains a competitor's price list from a customer or third party, note on the document how and when it was obtained.
- Never attempt to coordinate price announcements with the announcements or actions of competitors.

II. Part Two: Relationships with Customers

Unlike the rules related to the relationships with competitors, the rules for dealing with customers under competition laws may not be as clear-cut. In general, there is a wider range to act where the Company has a low market share, or the actions are unlikely to affect the competition process. In certain circumstances, however, these same actions can be risky. Special care must be taken in markets where LATICRETE has a high market share.

a. Resale price maintenance

Resale price maintenance would occur if LATICRETE controls (or attempts to control) the price at which the point of sale or dealer or distributor may resell LATICRETE products. Distributors must be free to set their own resale prices. LATICRETE should not determine or try to determine a buyer's resale price and attempts by LATICRETE to monitor pricing in order to control resale prices should be avoided.

Employees and agents of LATICRETE may not:

- Enter any arrangement whereby a distributor agrees to sell LATICRETE's products at a fixed or minimum price or which limits the level of discounts, even if the distributor suggests this (although recommendations can be made).

- Behave in any way designed to coerce distributors into selling at a certain price, for example: terminating a distributor who sells at a discount to a recommended resale price; refusing or delaying orders; limiting supplies; or otherwise discriminating against that distributor including by way of charging higher prices or giving lower discounts.

- Establish discounts or other commercial benefits on the condition that the product would be resold at a certain price (except for bona fide short-term promotions).

Employees and agents of LATICRETE may issue recommended or suggested resale prices, provided that such recommended/suggested resale prices are not in effect a disguised fixed or imposed resale price.

If a distributor complains about the prices being charged by other distributors, LATICRETE should respond that LATICRETE cannot and does not interfere with the setting of distributor prices.

If, in a conversation or in writing, a distributor makes any comment that suggests they consider themselves bound by any set resale prices, LATICRETE must respond that they are free to set their own prices.

b. Restrictions on Distributors' Sales Territories and Locations

It is permissible to require distributors of the Company's products to restrict their sales to a particular territory or to require such distributors to sell from a particular location. In the event such a restriction is imposed, two requirements must be met.

- First, there should be a legitimate business reason for such a restriction, for example, encouraging distributors to engage in aggressive sales efforts.

- Second, the restriction must be a result of the independent decision of the Company and the agreement of an individual distributor. That is, the restriction cannot be imposed by the Company because of an agreement with competitors or an agreement with two or more distributors.

c. Restrictions on The Products That Distributors May Carry

It is permissible to require a distributor to carry only the Company's products. However, in the event that such a restriction is imposed, there should be a legitimate business reason, for example, encouraging distributors to offer high quality service and to engage in aggressive sales efforts. In addition, the restriction must be a result of the independent decision of the Company and the agreement of an individual distributor. That is, the restriction cannot be imposed as a result of an agreement with competitors or an agreement with two or more distributors.

d. Exclusive Dealers

It is permissible to agree with a distributor that it will be the only distributor to whom the Company will sell products in a particular geographic area. In the event an exclusive distributor agreement is implemented, two requirements must be met.

- First, there should be a legitimate business reason for such a restriction, for example, encouraging distributors to engage in aggressive sales efforts.

- Second, the restriction must be a result of the independent decision of the Company and the agreement of an individual distributor. That is, the restriction cannot be imposed because of an agreement with competitors or an agreement with two or more distributors.

e. Points of Sale Exclusivity

Companies with market power are sometimes limited in the agreements they can enter with customers or distributors, for example, agreements which require distributors to buy only from the company or a supplier nominated by it (although in some cases, such arrangements may be pro-competitive). In countries where LATICRETE has high market shares (over 50%, but particularly where the market share is over 70%), LATICRETE should pay particular attention to possible issues.

Certain practices between LATICRETE and its distributors may raise concerns. The following is a guide to the practices that should generally be avoided without careful consideration first:

- Do not enter exclusivity of sale, advertising and/or promotion clauses or arrangements when the likely effect of such arrangements may be the exclusion or substantial limitation of the activities of competitors in the market.

- Exclusivity arrangements of limited duration and scope may not be problematic in certain cases. Moreover, targeted arrangements may be acceptable in certain circumstances.

- Do not create any artificial and/or commercially unreasonable obstacles for the sale, advertising, display, or entry of competitors' products to consumers at distributor. Established competitors should be allowed a reasonable space at a distributor to display and advertise its products (if the distributor wishes to sell or display that product).

- Do not threaten or refuse to supply LATICRETE products to or boycott distributors that wish to acquire, sell, or display competitors' products.

- Do not impose any other type of retaliation or penalty on distributor if the latter sell or display the products of competitors at their premises.

- Do not offer artificial economic or financial rewards (e.g., preferable discounts or bonus terms) or refuse to give credit or grant other advantages (e.g., extended deadlines for payment) to a distributor in order to obtain exclusivity for LATICRETE or secure preferential conditions for the sale of LATICRETE products, when the likely effect of such arrangements is the exclusion or substantial limitation of the activities of competitors in the market.

f. Tying the Sale of One Product to The Sale of Another

Under certain circumstances, the competition laws prohibit tying the sale of one product to the sale of another, that is, allowing a customer to purchase one product (the "tying product") only if the customer purchases a second product (the "tied product"). In these cases, the concern of the competition laws is that the seller will use "leverage" from selling a very desirable product (the "tying product") in order to force a less desirable product (the "tied product") on the customer. Not only may the customer be disadvantaged, but competitors who sell the tied product may be harmed as well.

This prohibition generally applies when:

- there are two separate products; and

- the sale is conditional.

For a "tying" arrangement to be illegal, the customer must be forced to purchase the second product. No violation occurs where the customer has the practical ability to purchase the desired product alone or where the customer desires to purchase two or more products as a package. In other words, it is illegal in situations where the seller has such a large market share in the tying product that it can force the purchase of the second product on terms that would otherwise not be competitive. Items that are economically impractical to sell separately (e.g., items normally sold in the same package, or which are sold to be used together) are not subject to this prohibition. It is also permissible to offer promotions, in which a second product is offered at a discounted price in combination with another product, as long as the Company does not use the leverage of a substantial market share in one of the products to force the customer to purchase a second product.

g. Discriminatory pricing

The Company is not legally required to apply the same prices of products to all its customers, but LATICRETE should not discriminate between its customers in terms of price or conditions of sale in an arbitrary manner. All differences in price or other commercial conditions must be based on objective criteria which is applied uniformly to customers.

A valid reason to establish different prices or conditions might be savings on production or distribution costs, payment conditions, tax burden, recovery of fixed costs or other reasonable market-related factors. Difference due to different bargaining power of the customer is unlikely to be sufficient on its own. Note also that attempts to cover up discriminatory pricing (e.g., a fictitious brokerage arrangement between seller and customer) are themselves considered illegal activity under the competition laws.

h. Excessive pricing

In some jurisdictions, a dominant company is generally not allowed to charge a price that is considered to be "excessively" high. An "excessively high" price is often difficult to establish. However, as a general principle, a price may be deemed excessive only if after a detailed cost analysis, the difference between costs actually incurred and the price charged is unreasonable.

High prices may be justified if they reflect a short-term shift in demand or supply, or high prices provide a fair return on an earlier investment.

i. Predatory Pricing

One type of unfair practice, which can lead to a competition law violation is "*predatory pricing."* This can only occur if the following elements are present:

- The price of a product is below cost;
- The price is set below cost in order to eliminate competitors in the short run, to obtain reduced competition in the market as a whole in the long run, and to recapture short-term losses with monopoly profits in the long run; and
- There is a real possibility that the company engaging in below-cost pricing will be able to obtain a dominant share of the market and recoup its losses.

It follows from these elements that any price that covers fully allocated costs, including raw materials, labor, and fairly allocated overhead and capitalization costs, cannot be predatory. Moreover, there will frequently be situations when prices over the short run may be adequate to cover inputs, such as labor and raw materials, but may not cover fully allocated overhead and capitalization costs. In that case, the price is still not predatory if there is a legitimate business reason for charging a price that does not cover fully allocated costs (e.g., a change in market conditions, introducing a new product line, dropping a product line, or meeting vigorous competition to maintain customer allegiance over a short period). As long as there is no intent to destroy or injure another competitor, and the lower price contributes to Company profits, even if our competitors remain in the market, the price is not predatory.

In practice, true predatory pricing is extremely rare. These guidelines should not discourage aggressive competition except in the special circumstances described above.

j. Attempted Monopolization

The competition laws do not prohibit vigorous competition, even if it results in a large market share. However, such a high market share must be achieved fairly, by offering a lower price, a better product, or both. However, actions that have no business justification and harm a competitor may be viewed as a monopolizing practice.

k. Refusal to deal

As a rule, LATICRETE is free to select its distributors and may refuse to deal with a particular distributor as long as that decision is reached independently and not based on any agreement or understanding with competitors.

However, if a company holds a dominant position on a specific market, refusing to supply a distributor may be prohibited and can only be justified on objective grounds. For example, it can refuse to enter into an agreement or to sell a distributor products if:

- The distributor does not have adequate stock to satisfy customer needs
- The cost of dealing with the distributor makes the Company's business unprofitable
- A distributor is at risk of bankruptcy/repeatedly does not pay for previous supplies; or
- A distributor might put in danger the quality and reputation of the Company or damage its legitimate commercial policies

INVESTIGATION AND PROCEDURES

The different competition authorities generally have powers to investigate a company they suspect of infringing competition rules. Investigations can initiate by the authorities' own initiative or because of a complaint about alleged anti-competitive practices carried out by a company. Complaints could be made by any person, including customers, distributors, or competitors.

Depending on the country, the powers of investigation can vary and may be more broad than the U.S.

In those countries which have the most advanced competition rules, the authorities are likely to have the following powers (not exhaustive and these may vary according to each country):

a. Written Information Request

The power to request the Company to provide it with any necessary written information or documents in relation to a competition investigation.

It is best practice to deal promptly with such requests for information, since fines may be imposed in some jurisdictions for failure to cooperate during an investigation. Moreover, information provided to the authorities in response to a request must be correct as fines may also be imposed for intentionally or negligently supplying incorrect information in certain countries.

b. Interviews

In certain countries, an official investigation may result in you being formally interviewed as a witness and required to explain certain letters or documents relating to the subject-matter of the investigation.

c. Dawn Raids

The authorities can carry out a "*surprise"* on-the-site investigation of the Company's premises, typically during the early morning hours. In the majority of countries, the authorities will require a warrant to carry out such a "*Dawn Raid".* Inspectors are only allowed access to the Company's premises referred to in the authorization.

Certain competition authorities may have the following powers of investigation during a Dawn Raid (pursuant to a warrant):

- To enter any of the Company's premises, lands and means of transport, including in some cases the homes of employees.
- To examine business records relating to the investigation.
- To take copies of business documents (including electronic documents) relating to the investigation.
- To seal any business premises, books, or records necessary for inspection.
- To request police assistance to enter the premises of the Company if refused access.
  In some countries, individuals who have participated in anti-competitive activity can be investigated by the authorities in the context of a criminal offence (not only under competition rules, but also criminal laws).

d. Reporting Violations or Potential Violations

We have a duty to prevent violations of this Policy and to report and fully cooperate with investigations of any attempted, suspected, potential, or actual violations of this Policy.

To that end, every employee or third party who has information that this Policy may have been violated or believes that he or she is being asked to act in contravention of this Policy, should immediately report the event.

The report may be made to any of the following:

- Business Unit Leader
- Any member of the LATICRETE management team
- Chief Financial Officer or Director of Enterprise Risk Management

You may choose to remain anonymous when applicable laws permit doing so; however, you are encouraged to identify yourself to facilitate communications. LATICRETE takes all potential violations of this Policy and applicable antitrust laws seriously and is committed to confidentiality and a full investigation of all allegations.

CONCERNS AND QUESTIONS

While this Policy is intended to provide some basic guidance, it cannot anticipate the many questions that may arise in this area. Therefore, you should always seek advice immediately from your Business Unit Leader or the Director of Enterprise Risk Management if you find yourself in a situation where you are unsure whether any activity might breach this Policy.

If you have any questions about this Policy or any related issues, immediately seek advice from the Director of Enterprise Risk Management.