

Fair Competition Policy - Nammo Group

PURPOSE and SCOPE

Governments make laws promoting fair competition (known as "antitrust laws" in the U.S. and "competition laws" elsewhere). They prohibit activities that restrain competition, create monopolies, abuse market positions or distort the marketplace. Nammo follows these laws wherever we do business, not simply to avoid legal liability and significant fines, but because it is the right thing to do for our customers, our communities and other stakeholders.

This Policy applies to all employees of Nammo AS and its subsidiaries under direct or indirect control and any third party acting on behalf of Nammo, hereinafter "Nammo".

STATEMENT

Nammo values open and fair competition, and will always behave ethically when competing for business and when engaging with customers, regulatory authorities, suppliers or other partners.

POLICY

Competing fairly means that Nammo:

- Achieves competitive advantages through superior performance and not through unethical or illegal business practices
- Does not boycott specific suppliers or customers
- Never discusses, makes or appears to make improper agreements with, or collude with, competitors about:
 - Markets
 - Territories
 - Pricing
 - Contracts
 - Bids or quotes
 - Customers
 - Costs
 - Suppliers
- Avoids any activity that might unfairly limit competition, distort the free market or appear to abuse a dominant market position

Important considerations:

Competition laws, even though they may vary between different jurisdictions, generally share the same objectives:

- Ensure that markets operate efficiently by companies providing competitive prices, product choice, and innovation. This means, for example, that purchasers should have a range of independent competing sellers who have not acted together to reduce the degree to which they compete. Likewise, a seller should be faced with competing buyers who are acting in their individual best interests to reduce costs;

- Ensure that where a business dominates a market such that the business can operate without taking much account of any impact on competitors and customers (for example, a monopoly or an oligopoly), that business does not damage competition through anticompetitive behavior; and
- Ensure that companies may not complete mergers or acquisitions if such deals would substantially reduce competition and disadvantage consumers.

Another company is considered a competitor if it competes with Nammo in the relevant sales markets (aerospace and defense sector, commercial ammunition etc.), if it competes in the purchase of goods and services, or if it competes with Nammo for employees in the labor market. Often, one will find that customers of one part of Nammo's business will be competitors for other parts of the business.

An agreement between competitors which can be considered to be in violation of the competition laws includes not only a formal written contract but also any informal understanding (a handshake, an understanding, verbal or otherwise where competitively sensitive information is shared to align market actions).

Even where no illegal agreement has been reached, communications with a competitor can raise suspicions that an anticompetitive agreement has been formed that can subject Nammo to an investigation or lawsuit. Additionally, in some jurisdictions, the exchange of competitively sensitive information is itself considered to be a violation of competition laws.

However, there may be legitimate reasons to discuss or agree on matters with a competitor, for instance if a customer explicitly requests competitors to provide suggestions about how to solve a technical challenge, joint development, cooperation, joint R&D, or a joint venture and consortia agreements for a project which perhaps poses a certain risk for one company to pursue alone. This could include situations where Nammo does not have the technical know-how, or where the customer requests such cooperation; and transactions with competitors in areas in which the competitor does not compete with Nammo (for example, the purchase of a good or service (or the selling of a good or service) in an area in which Nammo and the buyer/seller does not compete).

Nammo strives to not allow the cooperation to expand in scope taking the cooperation into additional areas where the companies may still be competitors. Nammo will not share confidential business information unrelated to an agreement, and will not restrict or limit competition on other bids.

In all instances where there might be reasons to discuss or, potentially agree matters with a competitor, Nammo employees should seek professional advice from either a Nammo contracting department, local legal counsel or from the Legal & Regulatory Affairs Department.

OTHER RELEVANT DOCUMENTS

- Code of Conduct
- Nammo Management System



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