



COMPETITION COMPLIANCE POLICY

J.B. CHEMICALS & PHARMACEUTICALS LIMITED

Table of Contents

1. Definitions:	4
2 Purpose and Objective	4
3 Applicability	5
4 Compliance	5
5 Consequences of non-compliance	7
6 Exception management.....	7
7 Training and certification	7
8 Review and revision	7

1. Definitions:

Sr. No.	Term and Abbreviation	Meaning
1.	Affiliate(s)	shall mean, with respect to a stakeholder including the Company, any person or other entity that directly or indirectly controls or is directly or indirectly controlled by or is under common control with the Company. A person or entity shall be regarded as a controlling entity if: (a) it owns more than fifty percent (50%) of the voting stock or other ownership interest of such other entity; or (b) it directly or indirectly possesses sufficient authority to direct the adoption and/or execution of the policies, management or operations of such stakeholder by any means whatsoever and includes Employees, Directors, subsidiaries associates of the Company.
2.	Agreement	means any arrangement or understanding or action in concert — (i) whether or not, such arrangement, understanding or action is formal or in writing; or (ii) whether or not such arrangement, understanding or action is intended to be enforceable by legal proceedings.
3.	Director(s)	Directors appointed on the Board of the Company including executive, non-executive, independent and nominee directors
4.	Employee(s)	Every employee of the Company, including regular employees, contractual employees, temporary, fixed term employees and retainers.
5.	Territory	Shall include India and other geographies wherein Company operates through its Affiliates.
6.	Third Party(ies)	A collective term for agents, advisors, franchisees, intermediaries, vendors, suppliers, sub-contractors, resellers, contractors and agency staff, contract manufacturers, stockists, distributors and consultants with whom JB Pharma may enter into agreement(s) for purchasing/selling directly or indirectly materials and/or services. This includes associates of the foregoing as well.

2. Purpose and Objective

At J.B. Chemicals & Pharmaceuticals Limited (“JB Pharma” or “the Company”), we recognize the importance of responsible competitive practices in contributing to the sustainable growth of our business and the communities in which we operate. This Competition Compliance Policy (“Policy”) outlines our commitment to complying with competition laws and regulations while upholding the highest ethical standards. We aim to foster transparency, integrity, and accountability in our business affairs.

With the coming into existence of the Competition Act, 2002 and its Rules and Regulations and other similar acts and legislations applicable in the Territory (“Act”), JB Pharma endeavours to adopt best practices which are in conformity with the Act so as to ensure transparency and accountability in its functioning and management of its business operations across the Territory. The philosophy behind taking such steps is to educate and sensitize our employees and other stakeholders about the need to be compliant with the Act, to promote free and fair competition and to enable consumers to harness

benefits from the fair play of the demand and supply side forces operating in pharmaceutical sector. The contents of this Policy, the compliances referred hereto and best practices mentioned herein are not exhaustive and may be to a certain extent construed as subjective in nature and therefore, judicious approach is required while interpreting and applying them in conduct and practices by JB Pharma's employees and its stakeholders.

The Competition Compliance Policy has the following objectives:

- Propagate knowledge of what constitutes unacceptable behaviour under the Act.
- Facilitate early detection of contraventions and take corrective steps to remain compliant with the provisions of the Act and minimize any liabilities arising from contraventions, whether advertent or inadvertent.
- Create a compliant and transparent culture in accordance with the provisions of the Act.
- Stimulate good corporate governance and adoption of best practices.

3. Applicability

This Policy applies to all Employees and Directors of the Company and its Affiliates at all levels and grades wherever they are working. This Policy covers the Third Parties who are working on behalf of JB Pharma or its Affiliates in the Territory.

4. Compliance

The following rules must be complied with at all times by all the Employees, Directors and Third Parties.

I. Prohibition of anti-competitive Agreements:

The Company shall not enter into any anti-competitive Agreement which are having Adverse Effect on Competition (AEC) or undertake such activities which are prohibited by global antitrust laws in the Territory.

Illustration:

The company should not engage with its competitors to arrive at an understanding for keeping the prices of a new product launched at a pre determined levels. This will be considered as an anti competitive agreement.

II. No arrangements in respect of prices or quantities of goods:

The Company shall NOT discuss, enter into any agreement or indulge in any joint action with a competitor on any matter concerning the price or quantity of goods offered/supplied or the conditions on which they are offered. Following are few examples of topics which should not be discussed with the competitors in any case:

- a) discussions on strategies, current, proposed or contemplated prices or price changes and discussions on pricing method or policies;
- b) Cost of manufacturing products or providing services;
- c) Quantity proposed to be provided;
- d) Credit/ Sale/ Purchase/ Billing terms;
- e) Discounts;
- f) Profits, margins, profitability;
- g) Transportation/Cartage/ Freight/ Distribution charges (or any other charges incurred in the course of production of goods)
- h) Commissions/ Rebates/ Surcharges (or any other such monetary terms);
- i) Fares, rates, tariffs or any other direct or indirect charges, and
- j) Any other business sensitive information.

The Company should endeavour to seek info on its competitors from genuine and legitimate sources such as its agents and/or open market sources and/or its marketing personnel only. Any info from unauthorised sources may give rise to regulatory action against the Company. Any Employee should NOT enter into any other arrangements with competitors without approval from the legal department.

III. No bid rigging:

The Company should NOT enter into discussion/consultation with its competitors or rival bidders, while placing their bids for a tender floated by a Third Party. Following points should be remembered while dealing with tendering process:

- a) Not to divulge the quantity, rate or terms of the tender the Company intends to bid for to any competitor or rival bidder;
- b) Not to hold any discussions or consultations with the competitors or rival bidders prior to placing of bids;
- c) Avoid all forms of communication with competitors or rival bidders, by concerned personnel who are dealing with the tender in question; even in case the discussion is with respect to non-tender issues, prior to the closing of the tender;
- d) Not to divulge sensitive information with respect to the tender business i.e. profit margins, cost of production, or any other pricing related issues;
- e) Not to allocate the tender business by way of co-ordination amongst the competitors or rival bidders.

IV. Industry Association interaction:

The Company representatives must be sensitive to the risks of violating any provisions of the Act while participating in association activities or attending association meetings. The Trade Association forum should not be used to fix prices or pricing terms, agreements to control or limit production or capacity, allocation of customers or markets or to block a new entrant etc. further, the Company also should not interact with trade associations of other entities which are operating at different level of Production value chain.

V. Vertical Agreements

The Company should avoid having arrangements with manufacturers, suppliers, dealers, distributors and other third parties at different levels of the production or supply chain that could, directly or indirectly, result in AEC in the Territory. The Company should not involve in the following activities relating to the vertical agreements:

- a) Tie-in of products or services to force customer to buy unwanted products.
- b) Exclusive supply of goods to restrict the purchaser from dealing in goods of other suppliers.
- c) Exclusive distribution of goods only to one distributor for resale in a particular territory. (e.g.: The company is not asking for No Objection Certificate from an association to appoint new stockist in India)
- d) Refusal to deal with any enterprise to restrict the persons to whom goods are sold.
- e) Resale price maintenance to avoid competition among retailers on price.

VI. Behaviour of a Dominant Company

A dominant company means a company which operates independently of the competitive forces prevailing in the relevant market or affect its competitors or consumers or the relevant market in its favour. Such company has an ability to behave/act independently of the market forces that determines its dominant position.

A company called as dominant company with respect to a product when the product of such company enjoys the major market share of that product category due to quality, price or positioning of such product in that category. Further, A company is considered as a dominant with respect to the geographic area when such company has created an entry barrier for competition to enter such geographic area and consumers of such area are forced to buy such company's product due to unavailability of alternatives.

If the company is enjoying the dominant position in the market, then it should:

- a) Avoid fixing unfair or discriminatory prices or condition of goods in any manner.
- b) Provide fair treatment to all enterprises who are dependent on a dominant Company to run their own businesses.
- c) Avoid limiting or restricting production/ development of goods in any manner.
- d) not unilaterally decide not to utilize its full production capacity with an intent to create an artificial deficit of supply in the relevant market.
- e) not behave in a manner that restricts technical or scientific development relating to the goods and services to the prejudice of consumers.
- f) not create a barrier to entry of new enterprises into the relevant market.

5. Consequences of Non-Compliance

Non-compliance or violations of this Policy will be dealt with strictly as such a violation will expose the Company to regulatory investigation. Any Employee and/or Third Party found to be violating this Policy shall be subject to disciplinary measures in accordance with the disciplinary policies. The Company can initiate disciplinary proceedings and other applicable actions against Employees, terminate relations with Third Parties for non – compliance of this Policy.

The Company shall not do or permit to any activity which is in violation of the Act to gain business. In the event any such act is observed or identified, the same shall be reported on competition@jbpharma.com.

6. Exception management

Any exception (other than the exceptions already defined in this policy) to this Policy will require a written approval from the Head Legal and Compliance Officer along with detailed explanation for seeking the exception.

7. Training and certification

Employees and Directors shall be adequately trained regarding the functioning of the latest version of this Policy. Employees and Directors shall attend periodic trainings and obtain internal certifications to attest their comprehension of the requirements of this Policy.

8. Review and revision

This Policy shall be reviewed and revised as and when deemed necessary by the Company after obtaining appropriate approvals.