

## ANTITRUST POLICY AND GUIDELINES

### Antitrust Policy

Pharmaceutical Supply Chain Initiative (“PSCI”) operates in compliance with the antitrust and competition laws of all applicable countries, including the United States (both state and federal) and European Union. To that end, PSCI has drafted the following competition guidelines (the “Guidelines”) to serve as a general code of conduct for PSCI as well as its constituent members. The Guidelines are based on the current understanding of the relevant antitrust and competition laws and are not intended to address any particular set of facts. As such, they are intended as a general overview and not specific antitrust advice on any issue.

### Admonition

Each PSCI meeting will begin with a reading of the following admonition, unless replaced by an admonition reviewed and approved by legal counsel and the Board of Directors:

*“While some activities among competitors are both legal and beneficial to the industry, group activities of competitors are inherently suspect under the antitrust/anti-competition laws of the US, UK and other countries in which our companies do business. Agreements between or among competitors need not be formal to raise questions under antitrust laws, but may include any kind of understanding, formal or informal, secretive or public, under which each of the participants can reasonably expect that another will follow a particular course of action or conduct. Each of the participants in this meeting is responsible for seeing that topics which may give an appearance of an agreement that would violate the antitrust laws are not discussed. It is the responsibility of each participant in the first instance to avoid raising improper subjects for discussion, such as those identified below.*

*It is the sole purpose of this meeting to provide a forum for expression of various points of view on topics described in the agenda and participants should adhere to that agenda. Under no circumstances shall this meeting be used as a means for competing companies to reach any understanding, expressed or implied, which tends to restrict competition, or in any way to impair the ability of members to exercise independent business judgment regarding matters affecting competition.*

*Topics of discussion that should be specifically avoided are: (i) price fixing; (ii) product discounts, rebates, pricing policies, levels of production or*

*sales and marketing terms customer and territorial allocation;*  
*(iii) standards setting (when its purpose is to limit the availability and selection of products, limit competition, restrict entry into an industry, inhibit innovation or inhibit the ability of competitors to compete);*  
*(iv) codes of ethics administered in a way that could inhibit or restrict competition;* *(v) group boycotts;* *(vi) validity of patents;* *(vii) on-going litigation;* *(viii) specific R&D, sales or marketing activities or plans, or confidential product, product development, production or testing strategies or other proprietary knowledge or information."*

### Antitrust Guidelines

The following Guidelines apply to PSCI and its members.

1. *The purpose of PSCI is to achieve better social, economic, and environmental outcomes in the pharmaceutical supply chain by supporting suppliers to operate in a manner consistent with industry expectations about ethics, labor, health and safety, environment, and management systems. To this end, PSCI may further such purpose in accordance with the PSCI Principles.*
2. PSCI's activities shall be limited to those developed in consultation with PSCI's legal counsel and approved by the Board of Directors to enhance pharmaceutical supply chain sustainability. PSCI shall not engage in activities intended to restrain competition or to harm consumers. After consulting with legal counsel, the Board of Directors will consider notifying U.S. and European antitrust and competition authorities before implementing proposed activities.
3. Discussions or exchanges of information among PSCI members shall be consistent with these Guidelines and confined to the *bona fide* business of PSCI. Under no circumstances shall PSCI meetings be used as a means for competing companies to reach any understanding, expressed or implied, on price or which otherwise has the object or effect of restraining competition, or restricting the ability of members to exercise independent business judgment regarding matters affecting competition.
4. In no way shall any discussions or exchanges of information among PSCI members reveal any non-public information concerning a member's use of particular suppliers or vendors.
5. Each PSCI member agrees that it shall not, at any PSCI meeting or under the guise of proper PSCI business, whether seriously or in jest, in fact or appearance, agree on the price, output, cost or other terms of competition,

or discuss or exchange competitively sensitive information. Competitively sensitive information includes, but is not limited to, the following:

- individual company current or future prices; price changes; price differentials; markups; discounts; allowances; margins; or credit terms;
  - data that bear on current or future prices, including costs; production; capacity; inventories; and sales; industry pricing policies, pricing models, price levels, price changes, price differentials or profits;
  - bids on contracts for particular products, or procedures for responding to bid invitations;
  - individual company plans concerning the design, production, research and development, sales, distribution or marketing of particular products, including proposed territories or customers; and
  - matters relating to actual or potential individual suppliers that might have the effect of excluding them from any market or of influencing the business conduct of firms toward such suppliers or customers.
6. Each PSCI member agrees that it shall not engage in discussions of standard-setting when the object or effect of such standards is to limit the availability and selection of products, limit competition, restrict entry into an industry, inhibit innovation, or inhibit the ability of competitors to compete, or otherwise restrict competition. Each PSCI member agrees that the implementation of such standards should not be compulsory nor used to artificially restrict competition.
  7. Each PSCI member agrees that it shall not engage in discussions related to codes of ethics that might be administered in a way that could inhibit or restrict competition.
  8. Each PSCI member agrees that it shall not engage in discussions related to group boycotts, the validity of patents, or on-going litigation.
  9. Each PSCI member has the independent right and obligation to protest any activity that it believes threatens to violate the antitrust laws, and nothing contained herein shall limit said member from any necessary corrective action to prevent any perceived antitrust violation, including but not limited to disclosure of the alleged unlawful practice and/or disassociation from any such discussions or activities. PSCI members shall have an affirmative obligation to report, terminate and leave any meeting in which the aforementioned perceived violations are believed to have happened.

10. PSCI members shall have the unfettered right to seek the advice of their own independent legal counsel and/or PSCI's legal counsel prior to, during or after engaging in any discussions or exchanges of information that may be inconsistent with these Guidelines, and they shall inform their own legal counsel and/or PSCI's legal counsel immediately of any discussions or exchanges of information that are inconsistent with these Guidelines.