

CJ GLOBAL FAIR COMPETITION POLICY



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1. INTRODUCTION

OVERVIEW

CJ firmly believes that competing openly and freely in the market and pursuing fair profits with CJ's ONLYONE products and services are the cornerstones of CJ's competitiveness. CJ has established this CJ Global Fair Competition Policy ("**Policy**") to continue to innovate and promise greater customer satisfaction and to compete vigorously, honestly and fairly.

This Policy serves as a detailed subordinate policy to the CJ Code of Business Conduct ("**CoC**") to uphold CJ's commitment to free and open competition in the marketplace as stated in CoC. This Policy describes CJ's minimum standard to maintain compliance with applicable anti-trust and competition laws of the countries and jurisdictions in which CJ does business. Any additional country or industry specific guidelines of CJ must be consistent with this Policy.

All CJ Members must carefully review and abide by the principles herein covering the basic rules of anti-trust and competition laws. CJ Members shall take responsible and appropriate steps to ensure compliance with CJ's principles and commitments in all business dealings, and seek legal advice from the Legal/Compliance Department prior to committing any conduct which may raise any question or concern in relation to violation of the anti-trust and competition laws. CJ will not tolerate any violation of this Policy.

SCOPE & WORLD WIDE APPLICABILITY

The Policy applies to all employees (whether full time or part time), managers, operating committee members, officers, and directors of CJ ("**CJ Members**"), working for CJ worldwide regardless of location, role or level of seniority. CJ also requires third parties acting for, on behalf of, or in the name of CJ such as consultants, agents, intermediaries, and representatives to comply with this Policy or their own policies, if substantially equivalent to this Policy.

COMPLIANCE WITH APPLICABLE LAWS

CJ Members shall comply with all applicable anti-trust and competition laws and regulations, such as EU competition laws (Articles 101 to 109 of the Treaty on the Functioning of the European Union, as well as a series of Regulations and Directives), US anti-trust and competition laws (Sherman Act of 1890, Clayton Act of 1914, Robinson-Patman Act of 1936, Federal Trade Commission Act of 1914, and Foreign Trade Antitrust Improvements Act of 1982), and Monopoly Regulation and Fair Trade Act of Korea, and any other local anti-trust and competition laws and regulations. Your conduct may be subject to anti-trust and competition laws of other countries as well as laws of your own country as CJ's products and services could be sold and provided in any place in the world.

Please note that a violation of the anti-trust and competition laws is a serious crime and even a minor failure to comply with the applicable laws and regulations may lead to severe consequences such as significant business disruptions, harm to CJ's reputation, and criminal, civil and/or administrative penalties for CJ Members and CJ.

2. DEFINITIONS

- A. "CJ" is defined as CJ group of companies including all subsidiaries and affiliates worldwide.
- B. "Business Partners" means any individual or entity engaged in CJ's supply chain, directly or indirectly, to produce, sell, or distribute specific CJ products and services to the final customer.
- C. "CJ Alert Line" means all channels for compliance alerts including violations of this Policy such as website, e-mail, telephone, facsimile, mail, CJ Whistle or any other channels designated or operated by each of CJ.

3. INTERACTIONS WITH COMPETITORS

OUR STANDARD

CJ Members must determine prices and other competitive terms independently based on our own analysis, customer input, and publicly available information. CJ strictly prohibits any form of agreement to fix prices or commercial terms with our competitors. The form of agreement is not important. Not only explicit agreements, but also implied agreements that derive from actions of the parties or circumstances surrounding the parties are considered to be illegal.

CJ Members should take extra caution when interacting with our competitors as we are conducting our day-to-day duties. CJ Members shall not engage in any agreement or discussion with a competitor that may give an appearance of the anti-competitive conducts. In certain circumstances, remaining silent while interacting with competitors may be deemed as implied agreement. In addition, always guard against any improper customary business practices of your predecessors or inappropriate instruction of your superiors.

Even conducts or practices without any clear indication or direct evidence of agreement could be punishable under anti-trust and competition laws as anti-competitive conducts.

Some major countries including the EU view concerted practices, i.e., price signaling to competitors for the purpose of restricting competition, equally illegal as an anti-competitive agreement. CJ Members should be particularly cautious as their actions could be subject to extraterritorial application of those countries' competition laws.

CJ Members must consult with the Legal/Compliance Department prior to taking an action involving interaction with competitors.

PROHIBITED CONDUCTS

When it comes to interactions with competitors, even if implicit or informal, the following conducts are illegal under the anti-trust and competition laws. CJ Members shall never engage in the following prohibited conducts with competitors regardless of form or method.

PRICE FIXING

Price fixing relates to any agreement between competitors to raise, discount or maintain the price of certain products or services at a fixed level or to make decisions about commercial terms such as quantities and means. Price fixing could take a form of ❶ setting sales or purchase prices, price increases or decreases, minimum or maximum prices, or target price ranges, ❷ controlling supply or purchase quantities, ❸ determining rebates, discounts and other conditions of supply or purchase, ❹ exchanging cost- or price-related information that will be followed by fixing similar pricing, and ❺ engaging in any form of “bid rigging” or coordination of a competitive bidding process.

MARKET ALLOCATION

Market allocation relates to any agreement between competitors to divide or allocate markets. More specifically, competitors allocate or divide specific customers or types of customers, territories, products, or channels of supply among themselves.

BOYCOTT

Boycotts relate to any agreement between competitors in a relevant market not to do business with a specific individual or entity, typically for an anti-competitive purpose. Boycotts often are used to implement an illegal price-fixing agreement or market allocation agreement. Boycotts could take a form of, including, but not limited to, (i) any agreement with a competitor to cut off customers or vendors, or (ii) any agreement with a competitor to deal with customers or vendors under certain mutually agreed conditions.

[The Golden Rule] “Protest, Leave and Have It Documented”

If a competitor directly or indirectly raises an inappropriate topic as described in this Policy or provides you commercially sensitive information such as minimum price, target price, sales strategy or market sharing at a meeting, immediately protest, and leave the meeting. Ensure that your protest and your departure are properly recorded or documented in a written form, either in the meeting minutes or an e-mail to the competitor explicitly stating your non-participation or non-engagement on the topic. Also immediately report it to your supervisor as well as to the CJ Alert Line and Legal/Compliance Department.

4. BID RIGGING

Bid rigging refers to a scheme where competitors agree not to compete genuinely in a bidding or auction process. CJ prohibits all types of bid rigging, including but not limited to, the following:

- agreement on bid terms, such as prices, sales conditions with other bidders,
- cover bidding or shadow bidding, i.e. submitting a mock tender,
- bid withdrawal, i.e. withdrawing or not participating in a bid that it normally would bid in exchange of compensation from a competitor,
- bid rotation, i.e. taking turns in winning projects among competitors, or
- subcontracting arrangement, i.e. colluding to subcontract with the losing bidders.

The general principles of dealing with competitors are also valid for the bidding process. Whether to submit or withdraw a bid and the price and other terms of the bid should be determined independently. Never agree or even engage in discussion with competitors in relation to the price and terms of a bid, bid submission/withdrawal, or geographic market designation by other means.

The regulators apply the highest standard for bid rigging behaviors, and the level of penalties such as fines tends to be higher than other anti-competitive conducts. The pure economic loss can be much greater than it is expected as such penalties can be followed by revocation of contract award, debarment from bidding future projects or works, or damage claims by a prospective customer or project owner.

5. INFORMATION EXCHANGE

CARE IN COMMUNICATING AND MARKET INTELLIGENCE

It is critical to take great care when meeting or communicating with competitors. CJ Members should not directly or indirectly discuss or exchange sensitive information with competitors in respect of current or future market forecast. The sensitive information may be information concerning prices, profit margins, costs, terms and conditions of sale or purchase, business plans, information of suppliers or customers, territories, quantity projection, production and/or capacity, or any other subjects that could be commercially important.

CJ Members should also avoid ambiguous or misleading expressions, word usage, slang expressions that could deliver an inadvertent suggestion of the prohibited conduct. Keep in mind that any record pertaining to what you say, including your own memos, somebody's note pads, text messages, or e-mails, may be used as evidence in a legal proceeding where you may find it difficult to explain or prove your original intention.

Even one-time meetings or exchanges of information with competitors can lead to a violation of the anti-trust and competition law. The purpose of the meeting or the exchange is not important in determining whether there is a violation of competition law.

It could also take any form such as business meeting, casual lunch, email exchange, or golf game. Merely being present at a meeting or passively listening to attendees disclosing sensitive information may be sufficient to constitute a violation of anti-trust and competition laws, regardless of your true or actual intention.

When you need to gather competitive intelligence or market intelligence, use public sources, internal analysis based on voluntary customer inputs and other legitimate sources and try to document the date and the source of the information that you gather.

TRADE ASSOCIATIONS

While joining a trade association is generally permissible, any meeting or other activity that involves exchanging of sensitive information among competitors can expose CJ and CJ Members to potential anti-trust risks. Therefore, CJ's participation in such associations or meetings must be monitored carefully. CJ Members must obtain internal approvals and follow internal guidance for joining or participating in any trade associations' activities, and remember to act in accordance with the Golden Rule, "protest, leave and have it documented" when inappropriate topics are addressed.

WORKING WITH COMPETITORS

To the extent permitted by all applicable laws, it may be permissible to take a joint action with competitors in promoting common interests in governmental or judicial proceedings or participating in

interest representation activities. CJ Members must consult with the Legal/Compliance Department before engaging in any of these joint activities.

6. INTERACTIONS WITH BUSINESS PARTNERS

Anti-trust and competition laws also regulate our interactions with the Business Partners. When it comes to relationships with the Business Partners, the following conducts could be ruled as illegal, if such conducts restrict or may restrict competition in the market.

- Resale Price Maintenance

Any agreement or practice which results in fixing resale price or setting a minimum or maximum resale prices or require customers or Business Partners to follow the recommended resale prices

- Tying

Any agreement or practice with the Business Partner or practice requiring the Business Partner to purchase certain products or services that the Business Partner is uninterested in order to obtain other products or services that the Business Partner intends to purchase

- Other Restrictions

Any agreement or practice with the Business Partner or practice that imposes restraints on the Business Partner's free business decision such as the followings:

- ✓ requiring the Business Partner to deal exclusively with CJ,
- ✓ restricting business of the Business Partner with CJ's competitors,
- ✓ restricting the Business Partner's business within certain territories or to/from certain customer, or
- ✓ requiring the Business Partner to sell the same products or services at different prices or on different terms or conditions to certain customers during the same time period.

CJ Member must seek advice from the Legal/Compliance Department prior to making any decision involving above conducts.

7. ABUSE OF DOMINANT MARKET POSITION

Having a dominant market position in a certain business sector is not in itself anti-competitive. However, abuse of such position in order to eliminate or lessen competition in the market is considered illegal under the anti-trust and competition laws. CJ Members must comply with all and any applicable

anti-trust and competition laws regulating abuse of a dominant market position using unfair means.

What is considered “dominant” differs from country to country and takes into account various factors. One thing to note is that having a dominant position may not necessarily mean having the highest market share in that market. However, CJ Members could take precaution in those business sectors where CJ has or is generally considered to have relatively high market share to lessen our risk of being exposed to potential anti-competitive violations.

Therefore, please seek legal advice from the Legal/Compliance Department when developing business strategies or making business decisions in those business sectors, especially if and when you are considering the followings:

- Refusing to supply certain customers where the products or services of CJ in question may be considered as necessary for that customer to conduct its business,
- Pricing lower than the production cost for a sustained period (also known as ‘*predatory pricing*’),
- Failing to treat customers similarly without any sound reason, or
- Imposing exclusive purchasing requirements to customer.

8. M&A MERGER CONTROL

Mergers, acquisitions, divestitures or transactions involving acquisition of stock or assets, or formation of a partnership, joint venture (individually or collectively “M&A”) may require pre-merger notification filings and seek government approval in a number of affected jurisdictions before moving forward with the transaction. The most common governmental review process for an M&A transaction is anti-trust considerations i.e. whether the proposed combination of two companies may have anti-competitive consequences in the relevant market such as creation of monopoly. The regulators may refuse to approve or approve with various conditions when the proposed M&A may have anti-competitive effects.

CJ Member shall consult the Legal/Compliance Department for such filings, approvals or clearance when planning for M&A and refrain from any ‘Gun Jumping’ conducts or pre-merger coordination until obtaining merger control clearance and closing of M&A transaction.

[Things You Should Never Do in M&A Transaction] Gun Jumping

Gun jumping refers to a variety of actions that merging parties might enter into prior to conclusion of merger examination or approval process or closing of M&A transaction to facilitate the merger and expedite the integration of the companies which may result in an anti-competitive effect and limit competition in the market. Such actions may include, but not limited to, exercising substantial operational control over the target, exchanging commercially sensitive information, agreeing on price of products or restricting selling products within certain territories, and these actions could be subject to civil or even criminal penalties for violation of anti-trust and competition laws. The merging parties shall remain as independent competitors until the merger examination and approval process is finalized and the M&A transaction is consummated.

9. REPORTING AND ANTI-RETALIATION

CJ Members are required to promptly report any compliance alerts, any actual or suspicious violation of this Policy or any applicable anti-trust and competition laws to CJ Alert Line. Your immediate reporting is valuable to mitigate CJ's injuries and protect CJ Members as many countries operate the leniency program which grants a voluntary self-discloser of violation with some degree of exemption from enforcement.

Furthermore, immediately contact the Legal/Compliance Department first upon any request for information or any other contact by a governmental investigator with respect the issues related to this Policy or anti-trust and competitions laws before responding or providing any information to the investigator.

CJ prohibits any form of retaliation or intimidation against the person who, in good faith, has actually reported a perceived violation of this Policy, expressed an intention to report, helped a co-worker to proceed with a report, or participated in or assisted with an investigation even if CJ ultimately concludes that there was no violation.

10. CONSEQUENCES OF VIOLATION

A violation of this Policy will be constituted as a violation of CoC or employment agreement for CJ Members and a breach of business contract for Business Partners. Such violation will be subject to disciplinary action up to and including termination of the employment or the business relationship with Business Partners. A violation of anti-trust and competition laws may result in civil and criminal penalties, including fines and imprisonment on both CJ and CJ Members.