Competition Law Compliance Policy

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WHAT IS COMPETITION LAW?

Competition law rules exist in most national legislations where Clipper Bulk has a corporate presence or operation including but not limited to such laws and regulations enacted in the US, EU, and Denmark.

The general objective of competition law is to secure and maintain free competition ultimately for the benefit and protection of the consumers.

Most competition law regimes consist of the following two main principles:

- A ban on agreements and concerted practices restricting the free competition in a market
- A ban on abuse of a dominant position in a market

AGREEMENTS AND CONCERTED PRACTICES

Agreements or concerted practices between two or more businesses, commonly between two competitors, which have as their *purpose* or their *effect* directly or indirectly to restrict free competition are prohibited.

"Agreements" encompass all kinds of agreements written or otherwise despite their form.

"Concerted practices" means a deliberate unified behavior on the market by two or more businesses without the presence of an agreement or even a direct communication between the businesses.

Compliance with competition legislation is a requirement for all Clipper employees and in particular for employees within Chartering and Operation departments who have contact with external parties within our business segments and who commit to Clipper in agreements as part of their work for Clipper.

It should be noted that both agreements between competitors or potential competitors (so-called horizontal agreements) and agreements with customers or suppliers (so-called vertical agreements) are encompassed by the rules.

ABUSE OF DOMINANT POSITION

A business has a dominant position if it over a period of time has market power that allows it to behave independently of the normal constraints imposed by competitors, suppliers, and customers.

A dominant business must not abuse its dominance to obtain prices or otherwise exercise market conduct which it would not be able to without its dominant position.

It is our assessment that Clipper Bulk does not have a dominant position in any of the segments where we have activities. The rules on abuse of dominant position are not deemed relevant to Clipper Bulk at this stage and will not be subject to further description.

CONSEQUENCES OF BREACHING COMPETITION LAW

The consequences of breaching competition law vary from jurisdiction to jurisdiction and will naturally also depend on the nature of the actual infringement in question.

In some of the important jurisdictions for Clipper Bulk such as the US, the EU, and the individual EU member states, the potential adverse consequences of breaching competition law are severe:

- (EU) fines up to 10 percent of the turnover on group level
- Criminal sanctions for individual employees (fines and/or jail for the persons responsible for the infringement, disqualification as director)
- Unenforceability of agreements or parts thereof that breach competition law
- Damage claims from third parties
- Adverse reputational impact

EXAMPLES OF COMPETITION LAW INFRINGEMENTS

Agreements not to compete (cartels)

Some of the most serious competition law infringements are the so-called cartels. Cartels are agreements or concerted practices between 2 or more competitors or potential competitors with the purpose and/or the effect to restrict or eliminate competition between the parties.

Examples of cartel agreements are:

- Agreements to fix charter hire or purchase prices or other business conditions
- Agreements to limit or control vessel availability, sale, or investments
- Agreements to share or divide markets or supply sources
- Agreements to boycott competitors or customers, for example, an agreement with a competitor to abstain from making a bid on a certain contract or to divide a number of potential bids between the parties

Exchange of information between competitors (concerted practices)

The mere exchange of commercially sensitive information between actual or potential competitors may also constitute a cartel if such information exchange has its purpose or its effect to limit the competition and should therefore be avoided.

It should be noted that it is not only the exchange of information directly between competitors that are problematic but also the exchange of information through third parties such as trade organizations, brokers, suppliers, or customers.

Examples of exchange of commercially sensitive information are:

- Any kind of direct or indirect recommendation of prices, supplements, discounts, fees, or other conditions in the agreements
- Exchange of calculation tools that comprise costs, profits, or other information of competitive importance
- Exchange of information on statistics on prices, sales, etc. which could lead to removing uncertainty about other competitors' behavior
- Exchange of product standards, certification standards, and trade agreements

Much of the information available on Power BI is sensitive and confidential and please observe carefulness if needed to share this with external parties.

Other anti-competitive agreements

Cartels are not the only agreements or unified market behavior that might infringe on competition law. When identifying potential competition law infringements, you should also consider whether you enter into agreements:

- With exclusivity provisions of a long duration
- Regarding joint selling or joint purchasing
- Regarding collaboration with competitors

The above examples are illustrative only and not exhaustive. Furthermore, such provisions will not necessarily infringe competition law, but provisions of that kind may indicate an increased risk and may give cause for further assessment.

DO's AND DON'Ts

DO's – it is OK to:

- Discuss publicly available information – even regarding prices – for instance, the Baltic Dry Index
- Discuss transport policy and conditions generally
- Discuss possible cooperation in projects which cannot be undertaken by one of the parties on their own
- Enter into contracts with exclusivity provisions of a duration of less than 5 years
- Offer rebates to customers directly relating to the volumes of cargo given to Clipper Bulk

DON'Ts – you must NOT:

- Engage in any kind of discussion or other exchange of information regarding commercially sensitive information including:
    - Price fixing or otherwise discussing particular prices or pricing structures
    - Sensitive and confidential contents and information from Power BI
    - Share (divide) markets geographically or by customers
    - Engage in bid rigging or otherwise informing competitors about Clipper's intended behavior in relation to bid procedures
    - Discuss other commercially sensitive information than price, e.g., business terms

- Cooperate or discuss with competitors to prevent third-party (actual or potential) competitors from getting access to a given market or customer

It is important to note that the above applies not only in situations of direct contact between competitors but also in situations where commercially sensitive information is shared by competitors through a third party who is not a competitor. Therefore, if you know or suspect that a third party will or may communicate commercially sensitive information to other competitors you should abstain from providing the information.

Participation in trade associations, industry networks, or events

If you are participating in groups within trade associations or industry network groups or events with colleagues within the shipping industry it is very important to be aware of the specific focus that competition authorities have on these associations or groups as a potential forum for discussions which may amount to illegal competition restrictive behavior.

Therefore, if you have joined or intend to join a trade association or a less formal discussion forum for the industry you should observe the following:

- Obtain approval from the person to whom you report
- Consider what kind of information will be appropriate to share under what conditions

DO discuss:

- Aggregated historic information on prices etc.
- Standard terms and conditions – must be non-binding for members
- Membership criteria – must be transparent and objective
- Codes of practices
- Legislative issues – lobbying on behalf of the members' interests
- Technical and environmental issues

Do NOT discuss:

- Members' business plans
- Prices or rates used internally
- Details of a member's customers
- Details of competitors' customers
- Business strategy and business relationships
- Capacity and costs
- Sensitive information available from Power BI or other sources

If you receive an invitation to discuss commercially sensitive information

If you are approached by a competitor and invited to a discussion involving the exchange of commercially sensitive information you MUST decline to join or leave if ongoing.

- Decline to participate in any such discussion
- Leave the meeting or the person or group of persons inviting to discuss such topics if the discussions continue
- If minutes of the meeting in question are taken, require that the minutes reflect that you have left the meeting before the discussions were initiated
- Inform your Head of Department or Legal Department about the incident

PROCEDURES TO BE FOLLOWED IF A QUESTION ABOUT COMPETITION LAW COMPLIANCE ARISES

If a situation arises within your area of responsibility which could be a problem from a competition law perspective, you must always inform your Head of Department, who – apart from situations where it is evident that there are no competition law problems – must inform the Management and the Legal Department.

In particular, no pool agreements or agreements regarding commercial management of a larger fleet of vessels may be entered into without the express approval of the Management and the Legal Department or external advisors appointed by these.

INSPECTION BY THE COMPETITION AUTHORITIES – "DAWN RAIDS"

As part of the Danish and the EU competition authorities' investigations of potential competition law infringements, the competition authorities may conduct unannounced inspection visits – so-called "Dawn Raids" – if they suspect that a business is infringing competition law.

Dawn raids require that the competition authorities obtain a court order prior to conducting the inspection.

If a court order is obtained, the competition authorities are entitled to inspect and examine all properties of the business which is subject to the dawn raid, and they must be granted access to all documentation and information save for correspondence which is subject to legal privilege. See also Clipper's Dawn Raid Procedures available at Bridge.

WHISTLEBLOWER REPORTING

Clipper Bulk has available a Whistleblower Scheme that allows employees as well as the public in general to report any irregularities and or violations that any employee or person may deem serious and subject to reporting, and which fall under the scope of the scheme.

Further information about the Whistleblower Scheme and reporting under the same is available at clipper-bulk.com.

REVIEW AND AMENDMENT

The Senior Management Team will annually review and if relevant update this policy.

Adopted by the Clipper Group Ltd. Board on 12 June 2023.