ANTI-TRUST COMPLIANCE POLICY

INTRODUCTION

The PureGym Group ('Group') is firmly committed to a free market economy and welcomes vigorous competition, which drives efficiency, encourages innovation, and delivers members a choice of products and prices.

Antitrust laws aim to preserve the competitive, free enterprise system that is the basis of a free market economy. We firmly believe that complying with antitrust laws is the right thing to do, and benefits society.

Every single team member at the Group is expected to comply with all applicable antitrust laws, and every manager is required to take any action necessary to achieve this result and seek to avoid even the appearance of any wrongdoing. We cannot afford the possibility that non-compliance with antitrust laws could in any way damage the hard won trust which our members have in the Group.

All team members must demonstrate their awareness of, and comply with, antitrust laws. To do this, all team members must understand the basic rules of antitrust laws to ensure compliance when executing their day-to-day roles.

Antitrust laws are complex and may vary from country to country. We expect team members to seek guidance from the Group Finance Department regarding any questions which may arise in relation to antitrust compliance. We will not tolerate any excuse for failing to seek advice.

THE BASICS OF ANTI-TRUST LAWS

Antitrust laws protect free and unrestricted competition between all players at all levels of the supply chain. In summary, antitrust laws prohibit:

- Agreements or concerted practices (such as a common understanding) that aim at or result in the restriction of competition, and
- The abuse of a dominant position

This means that the Group must compete independently from other market players and must not seek to control or co-ordinate the commercial policy and practices of its competitors or supply chain.

The Group must not coordinate its behaviour with other companies to try to avoid or reduce the rigours and uncertainty of a competitive marketplace. This covers both contacts with competitors and interactions with supply chain and franchise partners. The most obvious examples of unlawful behaviour are price fixing between competitors.

In the specific situation where we may be considered to hold a dominant position, antitrust laws may also prohibit unilateral behaviour which may prevent (or foreclose) competitors from competing for business.

The law targets not only formal, written agreements but also informal understandings and so-called "gentlemen's agreements". When it comes to relationships with competitors, the most severe infringements of antitrust law are:

a) **Agreeing prices or charges**: this can refer to an agreement on the price at which we fix memberships or other pricing or to an agreement between companies as to the prices at which they will buy goods or services (e.g. from a prospective supplier). The Group's team members must always make decisions about pricing and commercial terms independently of competitors and must never discuss pricing or commercial terms with competitors
b) **Dividing up customers**: agreements and concerted practices between competitors to allocate markets (i.e. not to target individuals in each other's areas) are illegal
c) **Excluding third parties from the market**: for example, working independently or with others to undercut competitors in other competitive markets
d) **Exchange of confidential and commercially sensitive information**: it is not permissible to exchange confidential information which may reduce or remove any degree of uncertainty between competitors in respect of current or future market conduct

   Confidential information means any information that is not publicly or generally available and includes pricing, credits or discounts, terms of sale, capacity, production forecasts, current trading conditions, commercial strategies, identity of customers and suppliers, details of negotiations with retailers, marketing plans, etc.

   The mere receipt of such information can be illegal, even if the team member does not reciprocate by disclosing similar information.
e) **Industry Associations:** industry associations provide a venue for market actors to legitimately meet and discuss industry trends and issues, such as legislation impacting their industry sector. However, industry associations also present an inherent risk of facilitating intentional or inadvertent illegal information exchanges or even cartels.

All team members must stay vigilant when attending industry associations to ensure there are no inadvertent breaches of antitrust laws. Passively listening to attendees engage in anti-competitive exchanges is sufficient to breach the law.

Before attending any forum or entering into any discussion where there is a risk of discussing confidential information, guidance should be sought from the Group Finance Department.

Team members must:

- Seek management approval for all industry association memberships
- Ensure industry associations have an antitrust policy and guidelines in place and contact the Group Finance Department in case an industry association does not have such a policy and guidelines
- Insist that a written agenda be circulated to participants well in advance of any industry association meeting and contact the Group Finance Department in case of any potential antitrust concerns with the agenda in advance of attending the meeting
- Object to deviations from the agenda during the meeting and leave the meeting if any potential anti-competitive practices (price-fixing, market sharing, etc.) are discussed. Ensure that your objection and/or departure is/are properly recorded in the minutes of the meeting and contact the Group Finance Department
- Report immediately to the Group Finance Department any other incident in the environs of the meeting which could have antitrust law consequences
- Keep minutes of each meeting

ABUSE OF A DOMINANT POSITION

There is nothing illegal or wrong with winning over customers and achieving strong market shares. However, antitrust laws impose specific additional restrictions on the commercial freedom of dominant companies in order to keep markets open and competitive.

Where team members consider that the Group may have strong market positions for particular products, team members must seek advice from the Group Finance Department in particular before:

- Agreeing exclusive purchasing requirements or non-compete clauses
- Agreeing supplier loyalty incentives (rebate, price scheme or bonus)

The ramifications of breaking antitrust laws are serious, both for the Group and individuals. These include:

- **Damage to reputation**: antitrust investigations attract significant media coverage and damage the Group's reputation in the market and more importantly damage members' and stakeholders' trust in the business
- **Fines on companies of up to 10% of annual worldwide turnover**
- **Invalidity of agreements**
- **Exposure to third party claims for damages**
- **Costly and lengthy investigations by competition authorities**

In addition, individuals can be subject to prosecution and be fined or even imprisoned for seriously anti-competitive activities such as fixing prices with competitors or rigging bidding processes for goods and services.

RAISING A CONCERN

All team members have an obligation to report any suspected competition violations immediately. Timely identification of any issue is critical, among other reasons, because several jurisdictions, including the EU, have leniency programs that allow companies to avoid liability if they are the first to report participation in activity that is unlawful under the competition laws.

A report may be made to your immediate manager, any other higher level of management, the Group Finance Department or through our confidential whistleblowing service, SeeHearSpeakUp, on a 24-hour confidential hotline 00800 9687 4357; by emailing report@seehearspeakup.co.uk or, by providing information of your concern at www.seehearspeakup.co.uk/filea-report. You can find more information on this in our Group Whistleblowing policy.

Regardless of how you choose to report any suspicious activity, we will take your report in confidence and do everything it can to maintain that confidence and ensure protection against retaliatory measures.

IMPLEMENATION AND ONGOING COMMITMENT

This Policy sets out minimum standards enshrined in the Group's antitrust compliance culture.

The implementation of the Policy is conducted both at Group and Market level. Every Group manager and team member is expected to take full responsibility for antitrust compliance and ensure correct individual behaviour at all times. We will ensure that the Group Finance Department is able to proactively support and advance the Group's antitrust compliance commitments.

Ultimate responsibility for this policy sits with the Group's Board of Directors ('Board') and the Group Management Board ('GMB'), which brings together our leaderships. The Board and GMB will regularly update and monitor its commitment to upholding and strengthening our approach to addressing anti-trust. This policy will be reviewed on an annual basis.

Alex Wood
Chief Executive Officer
The PureGym Group

This policy is not contractual, and we may amend it from time to time.