



Competition Law Policy

Legal Affairs

1. Why it matters

Our customers expect us to compete fairly and independently in every market - healthy competition brings lower prices, wider choice and better products. Competition legislation exists in all of our markets to protect such competition, and significant penalties can be imposed on companies and individuals that breach the law. Competition Authorities have wide powers to investigate suspected infringements, including the ability to conduct unannounced inspections of our premises.

2. Purpose of Policy

This policy sets out:

1. Our minimum expectations for complying with competition law. All colleagues employed by companies that are either majority-owned by Ek-Chai distribution system "Ek-Chai" or operated by its management must comply with the Policy. It also applies to consultants, contractors and agency staff in relation to their work for Ek-Chai.
2. The obligation of every Ek-Chai business unit to implement an effective Competition Law Compliance Programme.

3. Competition Key Principles

We must not reduce the level of competition that our customers expect, by acting anti-competitively with our competitors or suppliers. Any behaviour that could infringe competition law or damage the reputation of the business must be avoided at all times.

Our key principles are set out below. For detailed guidance, please consult the Competition Law Guidance & Procedures available on the [e-policy](#).

3.1 Contact with competitors

1. We do not agree with competitors to reduce competition between us (so called "cartels"), for example:
 - An agreement with a competitor to fix prices or adjust prices at any time
 - An agreement with a competitor not to compete against each other in allocated markets. In certain circumstances, it may be permissible to work

with a competitor (e.g. a joint venture, subject to certain restrictions) but always seek Legal advice in advance.

2. We do not receive, share or exchange confidential, commercially sensitive information with competitors. We safeguard confidential, commercially sensitive information. This includes information about prices, profit margins or costs, market share, marketing and business strategy, etc.
3. Trade associations, industry forums and some forms of benchmarking may be permissible, but we act in accordance with our Competition Law Guidance & Procedures, and do not reach anti-competitive agreements or share confidential, commercially sensitive information.

3.2 Contact with suppliers

1. We do not receive, share or exchange confidential, commercially sensitive information about a competitor from a supplier (or any other third party).
2. We do not share one supplier's confidential, commercially sensitive information, with another supplier (or any other third party).

3.3 Setting retail prices

1. We act independently when setting the retail price and do not agree our retail prices with suppliers. We focus on cost prices during price negotiations with suppliers.
2. We may receive genuine recommended prices from suppliers, but we push back if we receive fixed, minimum, or maximum prices.
3. Recommended retail price should not be linked to any incentives or penalties. Please refer to Competition Law Guidance & Procedure: The Pushback Process.

3.4 And the key rule

If we have contact with our competitors or suppliers that could conflict with this Policy, we proactively distance ourselves by following the Pushback Process. It is not enough to simply ignore the incident, even if it is obvious that it was an error. Please refer to Competition Law Guidance & Procedures: The Pushback Process (available on the [e-policy](#)).

4. Competition Compliance Programme

Legal Affairs own the Thai Competition Compliance Programme and it will be reported to Risk & Compliance Committee at least once each year.

In Thailand, our Competition Law Compliance Programme consists of:-

1. Risk Appetite & Assessment: The nature and extent of competition risks is assessed on a yearly basis
2. Clear Governance: Leadership team sets the "tone from the top" and there is a clear allocation of responsibilities in relation to competition law matters
3. Policies: A local policy is adopted and is easily accessible to all colleagues via e-policy
4. Procedures and guidelines: Clear guidelines that give more detailed information and set out practical processes are easily accessible to all colleagues (*1. Benchmarking 2. Commercially Sensitive Information 3. Disclosure of Confidential Information 4. Document Creation 5. Joint Supplier Meetings 6. Meetings with Competitors 7. Pushback Process 8. Retail Pricing 9. Transactions with Competitors and Thai laws and regulations*) via e-policy
5. Communications & Training:
 - Communications activities reflect in Annual Compliance Communications & Training Plan
 - Compulsory training on Competition policy via e-learning is provided to:-
 - All new starters in all departments as shown below within two weeks after joining Ek-Chai.
 - Refresher training to specific groups of employees on a yearly basis /completion within one month.

Training Requirement on Competition Law Policy	
All new starters in all departments	Annual Refresher: All Work Levels / Head Office Only / Specific Impacted Departments (Subject to Competition Law & Unfair Trade Practices Risk Assessment): 1. Product 2. Corporate Affairs 3. Legal 4. Customer 5. Online Business 6. Procurement 7. B2B 8. Channel 9. Finance 10. People 11. Property 12. Store 13. DC

6. Investigations and Sanctions: There is a process for investigating breaches of this Policy and for managing regulatory on-site inspections
7. Monitoring & Review: The Programme is reviewed at least once each year to ensure it is effective and is reported to local Risk and Compliance committees at least once each year.

5. Breaches

Breaches of this policy must be reported. In the first instance contact your line manager. Where this is not possible, contact your Legal Director at Business.Integrity@lotuss.com, or Protector Line. Contact details are:

- Toll free 1800-019099 (Direct Line)
- Line ID: @Protectorline, or
- Email: Protectorline_TH@lotuss.com

Failure to comply with this policy may result in disciplinary action being taken against any colleagues concerned or the termination of contracts with contractors working for Ek-Chai.

6. Contact Person

If you have any questions on how this Policy or related guidance applies or should be implemented, or if you have any other competition law related query (including if you receive any contact from regulators), please contact legal Affairs at Business.integrity@lotuss.com