Competition Policy

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. Further, in many of our markets, Authorities offer incentives for individuals and businesses to stop anti-competitive practices and to co-operate with the Authority (known as "leniency programmes").

2. Purpose of Policy

This policy sets out:

1. Our minimum expectations for complying with competition law. All colleagues employed by Lotus's must comply with the Policy. It also applies to consultants, contractors and agency staff in relation to their work for Lotus's.

2. The obligation of every Lotus's 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 Notes* available in the FAQ Folder or from the Legal Team in the Corporate Services Department.

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 on a certain day
    - 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) but always seek the Legal Team from the Corporate Services Department for advice.

2. We do not receive, share or exchange confidential, commercially sensitive information with competitors. We safeguard Lotus's confidential, commercially sensitive information. This includes information about prices, profit margins or costs, market share.

3. Trade associations, industry forums and some forms of benchmarking may be permissible, but we act in accordance with our *Competition Law Guidance Notes*, 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.

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 can receive recommended or maximum prices from suppliers, but never fixed or minimum prices.

3.4 And the key rule

1. 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 Notes: D1 The Pushback Process* (available in the FAQ Folder or from the Legal Team in the Corporate Services Department).

4. Competition Compliance Programme

The Competition Compliance Programme will be reported to the Risk & Compliance Committee at least once each year.

Each Business Unit Functional Director is accountable for ensuring that an effective Competition Compliance Programme is in place to ensure that colleagues understand how these principles apply to their activities.

Each programme should adhere to the *Competition Law Compliance Programme*. Minimum expectations for each Business Unit are:

1. Risk Appetite & Assessment: The nature and extent of competition risks is assessed
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
4. Procedures and guidelines: Clear guidelines that give more detailed information and set out practical processes should be easily accessible to all colleagues (e.g the Pushback Process)
5. Communications & Training: Mandatory annual training for all at-risk colleagues (and new colleagues must receive training in line with Group requirements)
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 Committee 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 the Legal team from the Corporate Services Department or local Protectorline to report your concerns.

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 Lotus's.

6. Contact

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:

- Contact the legal team or write to Competition.Law_MY@ lotuss.com