

Competition Law and Anti Competitive Practices Statement

Bathroom Brands Limited (the 'Company') and its subsidiaries (together the 'Group') are committed to compliance in full with all laws and regulations governing its businesses including laws relating to competition. The Group strives to adhere in all of its business practices to the principle of fair and effective commercial competition between businesses. It does not engage in conduct which is anti-competitive, nor will it enter into agreements with other companies or organisations (whether private or publicly owned) which could, or do, or intend to restrict, prevent or distort competition in any market in which we operate.

Where the Group's prospects of growing, improving profitability or achieving its business objectives may be enhanced by joining with another business party who has complementary skills, assets, route to market and/or distribution channel, any such arrangement entered will be on normal commercial terms and will always provide that:

- co-operation is limited to that which is necessary for the defined purposes of the venture;
- both parties being satisfied that they have complied with and will continue to comply with competition laws and regulations for the duration of the commercial venture.

In relation to its own businesses, the Group will act wholly independently and will not engage in agreements regarding pricing or pricing strategies. Unless information is publicly available or legitimately derived, the Group will not consider or engage in:

- Any element of pricing with a third party, nor engage in any price fixing with competitors or conduct which could be regarded as having the intention to fix prices.
- Placing any restrictions upon geographic or any other sales markets or in terms of dealing with customers or terms and conditions which may apply to them.
- Any conduct which is intended to, or could have the effect of, restricting or preventing competition,
- Discussions or arrangements relating to suppliers with any competing business or business operating within those labour and supply chain markets.

Any breach of this policy by any employee is a serious breach of that employees' contract of employment which will result in appropriate disciplinary action including, in case of gross misconduct, dismissal of that employee and may amount to criminal misconduct resulting in monetary fines and/or even imprisonment being enforced against any individual responsible.

Each and every employee dealing with third parties within the Group must be aware of and adhere to this policy at all times. Regular reviews (at least annually) and on-line training for Board members, Executive officers and employees will be enforced as part of our compliance programme.

Signed:

Chairman
Bathroom Brands Limited

Date: 26/3/2019



Competition Law and Anti Competitive Practices Policy

Introduction

Bathroom Brands Limited (the 'Company') and its subsidiaries (together the 'Group') are committed to compliance in full with all laws and regulations governing its businesses including laws relating to competition. The Group strives to adhere in all of its business practices to the principle of fair and effective commercial competition between businesses.

This means making sure that all employees understand what the law requires and act accordingly.

It does not engage in conduct which is anti-competitive, nor will it enter into agreements with other companies or organisations (whether private or publicly owned) which could, or do, or intend to restrict, prevent or distort competition in any market in which we operate.

Competition Law

Under the United Kingdom Competition Act 1998 (CA98) there are (i) prohibitions on anti-competitive agreements and (ii) rules relating to abusive conduct by dominant businesses. The Enterprise Act 2002 (EA02) creates individual liability by making it a criminal offence for any individual dishonestly to enter into an agreement relating to price-fixing, market sharing, bid-rigging or production-limiting cartel. (EU competition rules may currently also apply where the same type of agreement or conduct affects trade between EU member states).

The competition rules are enforced by the Competition and Markets Authority (known as the CMA). The competition rules aim to protect and promote fair competition. They prohibit companies from reaching agreements (or even informal verbal "understandings") with each other to do things such as fixing prices, allocating customers, sharing markets or unlawfully excluding competitors.

The following activities are anti-competitive and therefore unlawful:

- *Price Fixing* - you must not discuss the prices you're going to charge your customers with your competitors. You'll be breaking the law if you agree with another business:
 - to charge the same prices to your customers
 - to offer discounts or increase your prices at the same time
 - to charge the same fees to intermediaries, e.g. retailers selling your products
- *Market sharing* - You can't agree with other businesses to share markets or customers. You'll be breaking competition law if you agree with another business:
 - not to approach each other's customers



- not to compete with them for customers, e.g. in specific locations
- *Sharing information* - You can't share information with other businesses that might reduce competition between you, e.g. information about:
 - prices
 - production
 - your suppliers, customers or contractors
 - the markets you sell or plan to sell to

(This includes sharing information through a third party, e.g. a trade association).

- *Other anti-competitive activities* - You must avoid other activities that break competition law, e.g.:
 - buying or selling jointly with your competitors
 - agreeing with your competitors to reduce production of something to raise its market value
 - restricting how much other businesses can sell your product for
 - agreeing with your competitors not to sell to certain customers or deal with certain suppliers
 - having long-term exclusive contracts with any customers or suppliers

The competition rules apply to informal agreements and verbal agreements in exactly the same way as to formal written agreements. An exchange of e-mails, letters or even a conversation could amount to an agreement. The CMA can "infer" that an understanding or verbal agreement has been reached, simply by relying on their own interpretation of documents or their interpretation of certain events. Many of the heaviest fines have been imposed for anti-competitive verbal agreements or understandings.

The area of competition law is quite different in that every person employed in a sales, commercial or marketing role has to obey the law EVERY day in EVERY discussion they have with customers and others with whom they come into contact. There is therefore no chance to correct an error later, we need to be mindful of Competition Law at all times and work within that framework of the law.

Consequences of not complying

The penalties for not obeying these laws can be very severe with high fines on the Group and life/career changing effects on the individual. In addition there are of course the damaging effects of such bad publicity on the business as well.

This policy is intended to provide information, requirements and guidance to protect the Group and its employees. Any employee in any doubt about any aspect of the law, this policy, their role and/or actions as they relate to competition must refer the matter to their line manager immediately.

Dealing with suppliers

The Group sets its own selling prices and must be free to decide the price at which it sells products to its customers. Suppliers cannot fix our retail selling prices, or any aspect of our prices (such as discount levels or margins). Fixing our selling prices with a supplier is a very serious breach of the competition rules and the Group would be fined heavily if it did this.

Once a decision has been made about selling prices, we can negotiate with the supplier to give us a cost price which would allow us to sell our products at our own target selling price.

Dealing with competitors

The Group will never work with competitors to reduce competition in the marketplace and will always encourage fair competition. Competition law assumes that markets generally work best when competitors compete, rather than co-operate.

The Group will not (however informally) discuss, agree or exchange information with competitors on:

- the prices the Group charges customers or pays to suppliers
- the margin the Group achieves on sales
- the promotions or discounts the Group offers
- The Group's future pricing or promotions strategy
- Where, what or to whom the Group sells.

The Group will not ask competitors for this type of information.

The Bathroom Industry

Two areas of competition law are particularly relevant to the bathroom industry and our Group - anti-trust and resale restrictions and retail price maintenance.

Anti-trust

As a Group or as individual employees we should in the normal course of events not be meeting or talking with our competitors as a matter of principle. We may see them at Trade Association meetings and trade gatherings but any discussion must not extend to any issues regarding the market, customers or pricing.

Employees involved in Sales are not expected nor should they seek to meet with competitors. When this does occur (e.g. at trade shows and events) business issues, especially in relation to competitive practices must not be discussed or listened to.



Any such incidences should be recorded, along with your reaction of not engaging and retained on file).

Retail price maintenance

It is anti-competitive and illegal for the Group or any of its employees to tell customers to sell at a particular price or to change their pricing.

Recommendations (or suggestions) can be made as to the retail price and discount levels. These recommended prices and discounts are to give guidance to our resellers and we recommend these because we believe these levels are the prices and discounts are at levels that allow the reseller to make an adequate profit margin to stay in business and be profitable enough to secure a long term future for their business.

The only price we control, through the different routes to market and distribution channels across the Group, is the price at which we sell our products to our customers (resellers).

Preventing and reporting alleged anti-competitive practices

The Group has in place a number of measures to prevent, detect and prohibit anti-competitive practices, including the engagement of external experts.

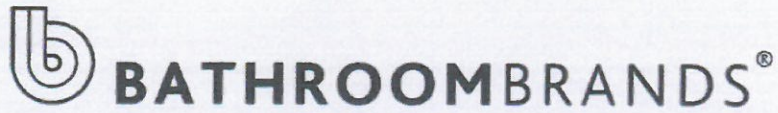
The Group will regularly, where relevant, identify employees or officers of the Group who are in positions where competition law is pertinent. Employees and associated persons are requested to assist the Group and to remain vigilant in preventing, detecting and reporting any incidences of anti-competitive practices

The Group has established an on-line training programme, including a module concerning Competition Law which is mandatory for Board members, all Executive officers and identified key employees. In addition, staff can report any suspected incidences through our secure online compliance reporting service (EthicsPoint) anonymously or otherwise

The Group will fully investigate any instances of alleged or suspected bribery. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out. The Group will invoke its disciplinary procedures where any employee is suspected of bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. The Group may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, the Group who are found to have breached this policy.

Review

The Group communicates periodically to employees and associated persons on the matter of anti-competitive practices. The implementation of this policy and related



procedures will be reviewed, monitored and reported on a regular basis, at least annually.

Employees and those working for, or on behalf of, the Group are encouraged to provide any suggestions, comments or feedback that they may have on how these procedures may be improved.

The Group reserves the right to amend and update this policy as required. For the avoidance of doubt, this policy does not form part of employees' contracts of employment.

Date:

26/3/2019

U.R. [Signature]