

## **Manual**

### **for compliance with the competition law of CECED CZ – Association of European Manufacturers of Domestic Equipment**

#### **I. Preamble**

1. This manual is created and agreed upon for the purpose of securing the compliance with the competition law during all the activities of the association CECED CZ and its members, and during the activities of the authorities, employees and other concerned persons on behalf of the association.
2. CECED CZ associates members, whose scope of business is manufacturing, transport and sale of products such as Large Domestic Equipment (refrigerators, freezers, dishwashers, cookers, extractors, washing machines and tumble dryers, their combinations, etc.), Small Domestic Equipment (vacuum cleaner, irons, coffeemakers, toasters, personal beauty care products, etc.) and special products (heating, ventilation, air conditioning, water heaters, etc.) hereinafter just “products”.
3. The members of CECED CZ are usually competitors to each other on the domestic equipment market.
4. Meetings of authorities of CECED CZ, especially General Assembly and Steering Committee follow the statutes of the association and the meetings are reasoned and irreplaceable; the same applies to other activities of CECED CZ when reaching its objectives laid out in the statutes of the association.
5. From the competition law point of view, it is necessary that the members of CECED CZ in its meetings followed certain rules of conduct to prevent any violations of competition law or to minimize the legal risk resulting from the activities of such meetings and to prevent the risk of Czech Republic or European Union initiating proceedings against the association/member because of possible breach of competition law and the national and international legislation in this area.
6. This manual for compliance with competition law created by CECED CZ represents a comprehensive set of rules for any participants of any meetings of CECED CZ, especially for the employees, members and other persons present during the meetings concluded by CECED CZ, where those participants are obligated to be familiar with the rules.

#### **II. Rules**

1. Each participant of meetings of CECED CZ has to be trained beforehand in the area of competition law. This training can be organized by CECED CZ through external expert (lawyer), which has the expertise in the area of competition law, or eventually the persons participating in the meetings can prove they have undergone the training by other means. All the regular participants to meetings of CECED CZ are obligated to undergo possible

annual training in such manner that they have the knowledge of actual legislation in this topic.

2. Meetings of CECED CZ happen exclusively according to the statutes of the association.
3. A member can participate in the meeting of General Assembly only through its statutory bodies or through a representative with a full power. Any other person can join the General Assembly only with a confirmation from one of the members, who bears the responsibility to familiarize such person with the statutes of the association and this manual.
4. A member can participate in the meeting of Steering Committee only through an appointed representative according to the statutes of CECED CZ. Any other person can join the Steering Committee only as a guest and with a confirmation from one of the members, who bears the responsibility to familiarize such person with the statutes of the association and this manual.
5. An external lawyer, appointed to oversee the compliance with competition law, is present to each meeting of the authorities of CECED CZ.
6. Any person participating in the meetings of CECED CZ confirms with his/her signature on the attendance sheet that they have been familiarized with the rules in this manual and the legal consequences if they are breached.
7. The participants to the meetings of CECED CZ can discuss only the topics, which are included in the program that has been sent along with the invitation to all members before the meeting. The program of the meeting has to be clear, specific, adequately detailed and has to concern the activities of CECED CZ. First point of the program shall always be a reminder to follow the compliance with competition law included in this manual, along with an information from the external lawyer (who is present to the meeting according to Art 5 of this manual) about the possible consequences of breaching these rules.
8. There is no exception, where the participants of the meeting of CECED CZ could discuss topics that are not included in the program agreed upon and sent to all members along with the invitation to the meeting. A new point to the program can be added only if all members agree with putting it on the official program (in case of General Assembly all present members have to agree and in case of Steering Committee all members have to agree) and the agreement is authorized by the external lawyer according to Art 5 of this manual. External lawyer will not disapprove of such agreement unless it would be against competition law.
9. Participants of a meeting of CECED CZ will never discuss indefinite and unspecific points of the program labelled as “Different” or “Other matters”, etc. In case such point is put on the program, any participant to the meeting is allowed to ask not to discuss such point in the meeting. In case such point is discussed anyway, any of the participants are allowed to leave the meeting and the clerk or any other person responsible for the minutes

from the meeting is obligated to give this participant a chance to record his/her objections and leave to the report.

10. Participants of the meetings of CECED CZ cannot inform each other about strategic information, meaning information that lowers the strategic uncertainty on the domestic equipment market. Strategic information usually concerns prices (i.e.: real prices, sales, increase or decrease in price or deductions), lists of clients, manufacturing costs, amount, turnover, amount of sold products, capacity, geographical markets, marketing plans, investments and technologies. The participants to the meetings of CECED CZ also cannot exchange information that is a subject to business secret of the members of the association.
11. The subject of exchange of information during the meetings of CECED CZ can only be summarized (general) data, where it is impossible to individualize information about a specific member and which are not strategic information, meaning it is not a subject to business secret of any of the members.
12. Every participant to the meetings of CECED CZ is obligated to avoid any conversation which can lead to a breach of competition law (hereinafter “inappropriate conversation”) and to avoid passive participation in the inappropriate conversation. If any of the participants of the meeting starts an inappropriate conversation (i) other participants are obligated to immediately end such conversation and in case this conversation continues anyway, they should immediately leave the room and the clerk is obligated to report their objections and leave in the minutes from the meeting.
13. Minutes are made from every meeting, which are signed by participants to the meeting of CECED CZ chosen at the meeting. The minutes are written with enough detail to capture the facts concerning competition law so they can be evaluated even after the meeting is over according to this manual and also contains information about the instructions under Art 7 of this manual. Minutes are also checked by the external lawyer according to Art 5 of this manual.
14. Participants to the meetings of CECED CZ are always advised on the reality that European Commission and the Office for the Protection of Competition can check the compliance with competition law and may require documents and information regarding these meetings.
15. Only the General Director of the association is allowed to react to a request of the Office for the Protection of Competition or the European Commission in any form against CECED CZ.
16. In case of inspection by the Office for the Protection of Competition or by the European Commission, General Director of CECED CZ is obligated to participate during the activities of the inspecting body or he has to appoint another qualified person to do so. General Director is also obliged to inform legal representative of the association about this situation.

17. The participants to the meetings of CECED CZ are obligated to act according to the above mentioned rules even during the breaks between the meetings and even during other common events such as work lunch or dinner.
18. All authorities of CECED CZ and all its members are obligated to abide by the rules mentioned above adequately during all the activities of the association and to make sure within their scope of conduct that other employees and persons participating in the activities of the association are aware of the content of this manual as stated in Art 19.
19. Every member, every authority according to the statutes of CECED CZ, every person representing a member at the meetings of CECED CZ, every employee and any other person participating in the activities of the association will personally confirm by a signature that they have been familiarized with the contents of this manual and that they are committed to follow its rules. In case another person joins the meeting of CECED CZ under Art 3 and 4, they also sign, that they are familiarized with the contents of this manual and they are committed to follow its rules.

The manual has been approved by General Assembly on \_\_\_\_\_(date).