

Competition Law Compliance THE COMPANY POLICY

The board of directors has reaffirmed the company's policy to comply fully with all its legal obligations and in particular UK competition law.

What is competition law?

In the UK anti-competitive behaviour is prohibited under Chapters I and II of the Competition Act 1998 (the "Act") and Articles 101 and 102 of the Treaty on the Functioning of the European Union ("TFEU") which prohibit anti-competitive behaviour.

The Act and TFEU prohibit agreements and conduct which may have an adverse effect on competition within the UK and EU. Of particular relevance to Lexon's core business, competition law precludes informal or formal agreements to cooperate or exchange commercially sensitive information between competitors.

Lexon is therefore required to act independently in its markets and sell products fairly and honestly on the basis of price, quality and service.

What this means

Lexon is committed to ensuring compliance with best competition practices. The Board and all employees must comply with the Act and TFEU requirements. Failure to do so will constitute grave misconduct and will lead to disciplinary action. This policy statement and in-house training that all employees receive are designed to educate and ensure competition law compliance.

The board takes ultimate responsibility for compliance but it is each employee's responsibility to ensure competition compliance when dealing with trading partners on a day-to-day basis.

Procedures

The Board will be issuing a comprehensive compliance manual and arranging training to ensure that all staff understand their obligations in complying with competition law.

Tim Newman, a non-executive director of Lexon has been given responsibility to implement the competition law compliance programme and any questions regarding implementation should be referred to him.