

Standard of Conduct - Supplier Communication with Canda Six Fortune

1. What is this standard about?

This Standard of Conduct outlines the communication standards applicable to suppliers that supply finished goods or services to Canda Six Fortune for resale. The Standard of Conduct must be followed by all such suppliers when dealing with us, including when sharing, discussing, accessing, using or disclosing information, and with respect to any Canda Six Fortune information such suppliers may receive in the course of our business dealings, including with respect to pricing, costing, volumes, assortment, planograms, recipes, formulas, innovation, contracts and preferred arrangements.

2. Why your conduct matters

Compliance with competition law is a priority for Canda Six Fortune. Our company maintains a Competition Law Compliance Program (“**Compliance Program**”), and this Standard of Conduct is an important component of it, to help minimize risk of non-compliance with competition laws.

In particular, competition law prohibits improperly influencing the market either through entering into direct agreements with suppliers to do so, by a customer acting as a facilitator between suppliers, or by a supplier facilitating an agreement between competing retailers. Information sharing may generate competition law risk if improper information is used, shared, accessed or discussed in your business dealings with Canda Six Fortune.

All suppliers and their personnel who engage with Canda Six Fortune must adhere to the supplier obligations under the Compliance Program (including this Standard of Conduct), as provided to you by Canda Six Fortune and as may be amended from time to time. The Compliance Program sets out our expectations of how suppliers and their personnel must deal with Canda Six Fortune.

Violations of applicable competition law requirements can create legal, regulatory, and reputational risks for both Canda Six Fortune and our suppliers. As a result, your adherence to this Standard of Conduct protects you as well as Canda Six Fortune and its colleagues from serious consequences of non-compliance.

3. Your responsibility

Suppliers and all of their personnel that transact with Canda Six Fortune are responsible for being aware of and complying with this Standard of Conduct. This includes, but is not limited to, the following obligations:

- Advise all supplier personnel, on an ongoing basis, about this Standard of Conduct before they engage with any Canda Six Fortune colleagues;
- Ensure your personnel understand and acknowledge the terms of this Standard of Conduct; and
- Seek clarification from your Canda Six Fortune Representative, as required.

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This Standard of Conduct is available on our website.

4. Your conduct when communicating with Canda Six Fortune

- 4.1 Suppliers must ensure that they and their personnel are aware of and comply with the wage-fixing and no poach agreement provisions of the *Competition Act*, including in particular in all of their interactions and communications with Canda Six Fortune.
- 4.2 Suppliers **MUST NOT** discuss with or request from Canda Six Fortune non-public (i.e., future) wholesale pricing information or ask Canda Six Fortune to respond to any suggested wholesale prices supplier may provide, except:
 - Where applicable, Canda Six Fortune has contracted a supplier to pre-price items. Where non-public (i.e., future) wholesale prices are shared by Canda Six Fortune with suppliers in this circumstance, the supplier must sign a Canda Six Fortune Non-Disclosure Agreement (“**NDA**”) prior to information being shared.
 - Where applicable, suppliers’ goods are pre-priced (not at Canda Six Fortune’s request), pre-pricing should be disclosed, but Canda Six Fortune will not confirm its non-public (i.e., future) wholesale pricing.
- 4.3 Suppliers’ communication with Canda Six Fortune relating to cost of goods should solely include cost of goods (including advertisement and promotional budgets) and case volume, except as otherwise permitted under this Standard of Conduct.
- 4.4 Suppliers may suggest a wholesale price. However, all wholesale pricing decisions remain within Canda Six Fortune’s sole discretion and Canda Six Fortune will not confirm its non-public (i.e., future) wholesale prices. Supplier documents, including emails, containing any suggested wholesale price should be marked clearly with the statement “Wholesale pricing is at the sole discretion of the wholesaler”.
- 4.5 Canda Six Fortune may share non-public (i.e., future) innovation about its products and services with those suppliers developing products or services for Canda Six Fortune. Where Canda Six Fortune product and service innovation is shared with a supplier, the supplier must sign a Canda Six Fortune NDA prior to information being shared.
- 4.6 Suppliers **MUST NOT** provide, or offer to share with Canda Six Fortune, another wholesaler’s or another supplier’s non-public, confidential, commercially sensitive or proprietary business information.
 - This would include but is not limited to, non-public (i.e., future) wholesale pricing, costs, proposal or acceptance of cost increases, terms of supply, promotional plans, sales plans or strategies, business plans or strategies, production or sales volumes, forecasts,

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trade secrets, discounts, payment terms, customers, terms of sale, market shares, advertising restrictions, market allocation, marketing plans, supplier relationships, or levels of output.

- When presenting a cost change to Canda Six Fortune, Suppliers must not provide Canda Six Fortune with information about who has been presented with a cost change or whether competitors or “the market” have accepted a cost change. Suppliers may share cost increase letters with Canda Six Fortune that are addressed to customers generally.
- 4.7 Suppliers MUST treat Canda Six Fortune confidential information in accordance with the requirements of any confidentiality agreements between the parties, including but not limited to, Canda Six Fortune’s standard Distribution Agreement or Supply Agreement (collectively “**Term Sheet**”) and/or a Canda Six Fortune NDA. Even where a Canda Six Fortune NDA is not signed, suppliers MUST NOT share Canda Six Fortune’s non-public, confidential, commercially sensitive or proprietary business information with any third party including, without limitation, any other wholesaler, retailer or supplier, or any franchisee of Loblaw.
- 4.8 Franchisees of Loblaw, including Associate-owners of Shoppers Drug Mart pharmacies, are competitors of one another and of Loblaw corporate-owned stores. As such, franchisees own and operate their businesses independently. Suppliers **MUST NOT** share any non-public, confidential, commercially sensitive or proprietary business information of a Loblaw franchisee with Loblaw or Canda Six Fortune or any other Loblaw franchisee.
- 4.9 Suppliers must adhere to ALL of the following conditions if a supplier provides Canda Six Fortune with information and analysis about current and historical wholesale activity of Canda Six Fortune and other wholesalers, and makes recommendations to Canda Six Fortune based on such information:
- a) Canda Six Fortune must specifically request such information or it’s offered by you to Canda Six Fortune and Canda Six Fortune specifically agrees to receive such information;
 - b) It is based on publicly available data or data that is lawfully purchased but does not contain confidential information of another wholesaler; AND
 - c) It is submitted to Canda Six Fortune in writing and is clearly and prominently marked, *“Wholesale pricing is at the sole discretion of the wholesaler”*.

Further, any discussions that take place remain subject to the standards outlined in this Standard of Conduct.

In the absence of the foregoing, you must not discuss such information with Canda Six Fortune nor present such information to Canda Six Fortune.

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- 4.10 Suppliers that have a direct sales channel to consumers (e.g., a brick & mortar or e-commerce retail operation that sells the same products you sell to Canda Six Fortune) must not discuss the supplier's non-public (i.e., future) commercial retail or wholesale plans or strategies with Canda Six Fortune. Communication with Canda Six Fortune must be through your dedicated team (e.g., sales, supply chain, marketing) and not through the personnel responsible for your retail operations.
- 4.11 Where applicable, Suppliers' personnel that have been appointed as Canda Six Fortune Vendor Advisors or Supply Chain Embedded Resources, must sign a Canda Six Fortune NDA and comply with, as applicable, the Vendor Advisor Guidelines, the Supply Chain Embedded Vendor Guidelines, and this Standard of Conduct.
- 4.12 In accordance with Canda Six Fortune's internal IT policies, Canda Six Fortune colleagues do not use texting, instant messaging or other social media outlets for work purposes. Accordingly, suppliers should only communicate with Canda Six Fortune colleagues for work purposes through company email, phone or via in-person conversations.
- 4.13 Suppliers must comply with this Standard of Conduct as well as observe their own company's antitrust or competition law compliance standards. Suppliers must proactively address differences between their compliance standards and our company's Compliance Program by coming to an agreement on how to resolve such issues with the Canda Six Fortune Purchasing Department. We expect suppliers to uphold the same values and principles of business conduct as Canda Six Fortune does, including as they relate to ethical and safety standards. A copy of our Supplier Code of Conduct is available on the Canda Six Fortune website.
- 4.14 Suppliers should consult with their company's legal counsel concerning any compliance issues and follow their advice. By supplying this Standard of Conduct, Canda Six Fortune is not providing legal advice or establishing any solicitor-client relationship with you.
- 4.15 Our company has a defined incident management and escalation process to deal with incidents of non-compliance with this Standard of Conduct and violations of applicable competition laws.

Incidents will be monitored, suppliers/supplier personnel will be notified of any non-compliance and the supplier shall remediate the breach by taking appropriate actions to prevent future breaches. Failure by the supplier to promptly remediate breaches will trigger escalation of the incident, dependent on the nature and frequency of current and past incidents. Corrective action may include, without limitation, written warnings and/or potential review of the supplier relationship.

5. The bottom line

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Failure to comply with this Standard of Conduct may adversely impact a supplier's continuing business with Canda Six Fortune, up to and including removal of the supplier's personnel from the respective Canda Six Fortune account and/or discontinuation of the supplier relationship. Where suppliers fail to adhere to this Standard of Conduct, issues will be reported to our company's Compliance Program mailbox.

6. What other documents should I look at?

Available on Canda Six Fortune's website:

- Canda Six Fortune Supplier Code of Conduct

7. Questions

If you have any questions, need clarity or have feedback with respect to this Standard of Conduct, please reach out to your primary Canda Six Fortune contact.

8. Reporting

All suppliers are required to report any non-compliance with this Standard of Conduct and with the *Competition Act* to your primary Canda Six Fortune contact. If you have knowledge of, or suspect unethical practices or conduct, speak up by reporting to the Integrity Action Line (1-800-525-7868 or www.integrityactionline.com).

9. Review and Revision History

This is a new Document.