

*General Notice No. 156 of 2019*

CCM/DS/0030/2



## **Decision of the Competition Commission**

**CCM/DS/0030/2**  
Non-Confidential

**Application for Immunity made by Lafarge (Mauritius)  
Cement Ltd under the Competition Commission  
Amnesty Programme for Resale Price Maintenance**

**12 December 2018**

CCM/DS/0030/2

**Decision of the Commissioners of the Competition Commission  
of 12 December 2018**

**relating to a proceeding under section 59(7) of the Competition Act 2007  
further to a Report of the Executive Director on the matter referred to as  
'INV042/RPM/015 – Review of Lafarge (Mauritius) Cement Ltd RPM Amnesty  
application'**

**(CCM/DS/0030/2 – Application for Immunity made by Lafarge (Mauritius)  
Cement Ltd under the Competition Commission's Amnesty Programme for  
Resale Price Maintenance)**

**THE COMMISSION**

Mr. D. P. A. Mariette - Vice-Chairperson,  
Mr. C. Seebaluck - Commissioner,  
Mrs. M. B. Rajabally - Commissioner,  
Mrs. V. Bikhoo - Commissioner,

Having regard to the Competition Act 2007,

Having regard to paragraph 5.6A of CCM3 Guidelines on Collusive Agreements regarding the Competition Commission's Amnesty Programme for Resale Price Maintenance,

Having regard to the Competition Commission Rules of Procedure 2009,

Having regard to the undertakings offered by Lafarge (Mauritius) Cement Ltd on 15<sup>th</sup> May 2018,

Having regard to a report of the Executive Director dated 29<sup>th</sup> June 2018,

**WHEREAS:**

**I. Introduction**

- 1.1 This Decision relates to an application for immunity dated 20<sup>th</sup> October 2018 made by Lafarge (Mauritius) Cement Ltd pursuant to the Competition Commission's Amnesty Programme for Resale Price Maintenance prescribed under paragraph 5.6A of CCM3 Guidelines on Collusive Agreements (the 'Application'). As part of the conditions set out thereunder, undertakings have been offered to the Commission by Lafarge (Mauritius) Cement Ltd on 15<sup>th</sup> May 2018 ('the Undertakings').
- 1.2 Having taken cognizance of a report of the Executive Director dated 29<sup>th</sup> June 2018 on the matter, the Commission has determined the present

CCM/DS/0090/2

matter on the basis of the provisions of section 59(7) of the Act, the conditions prescribed under paragraph 5.6A of CCM3 Guidelines on Collusive Agreements and considering in particular, the Undertakings offered pursuant to section 63(3) of the Competition Act 2007 (the 'Act').

## **II. Background**

### ***I. Competition Commission's RPM Amnesty Programme***

1.3 Pursuant to section 59 of the Competition Act 2007 (the 'Act'), the Commission may grant immunity or leniency to any person in such circumstances as may be prescribed. Effective from 05<sup>th</sup> June 2017 until 20<sup>th</sup> October 2017 inclusively<sup>1</sup>, the Commission put in place a one-off, time-limited amnesty programme for any enterprise involved in resale price maintenance by waiving the restriction at paragraph 5.3 of CCM3 Guidelines on Collusive Agreements, *viz.*, that only RPM which facilitates a cartel can benefit from leniency and the associated footnote 3 thereof and subject to the applicant-enterprise fulfilling the conditions prescribed under paragraph 5.6A (b) of the said Guidelines (the 'RPM Amnesty Programme').

1.4 The conditions prescribed under the RPM Amnesty Programme for providing immunity from financial penalties to any enterprise applying for RPM Amnesty are that the applicant -

- i. admits its participation in an agreement involving RPM,
- ii. provides the Competition Commission (CCM) with all the information, documents and evidence available to it regarding the RPM, and as required by the CCM,
- iii. maintains continuous and complete co-operation until the conclusion of any action by the CCM in relation to the matter, and
- iv. offers undertakings that satisfactorily address the competition concerns of the CCM.

### ***II. The Applicant and the Application***

1.5 The applicant, Lafarge (Mauritius) Cement Ltd, a member of the LafargeHolcim Group is a major player in the cement industry in Mauritius. It is an importer and wholesale supplier of cement. Lafarge (Mauritius) Cement Ltd also supplies cement in bulk to players in the construction industry.

<sup>1</sup> The Commission had extended the validity of the RPM Amnesty (CCM 3 Guidelines - Amended 3<sup>rd</sup> October 2017) from 05<sup>th</sup> October 2017 to 20<sup>th</sup> October 2017.

CCM/DS/0030/2

- 1.6 The Application is concerned with Lafarge (Mauritius) Cement Ltd's business in the bagging and distribution of Baobab cement in bagged format to resellers which mainly are hardware stores.
- 1.7 Lafarge (Mauritius) Cement Ltd has made an application, in its capacity as supplier, in writing, to the CCM, through its authorised signatory on the 20<sup>th</sup> October 2017.
- 1.8 In its Application, Lafarge (Mauritius) Cement Ltd has submitted that it may have participated in RPM conduct by:
- (i) issuing price lists containing retail prices without the mention of the terms 'recommended prices' to its resellers;
  - (ii) giving special incentives (discounts) to its resellers in respect of which it -
    - a) imposed on its resellers not to pass on discounts granted to them in the form of cash discounts to end consumers; and
    - b) had terminated the special incentives for resellers whose selling prices were deemed too low in comparison with the prices practiced by other resellers of the applicant; and
  - (iii) concluding a [REDACTED] agreement containing a clause with the object of fixing the selling price at which the reseller concerned is to sell Lafarge (Mauritius) Cement Ltd 's cement to end users.

### **iii. The Investigation**

- 1.9 Upon receipt of the Application and pursuant to section 51 of the Act, the Executive Director proceeded to investigate whether the reported conduct may amount to an RPM within the ambit of section 43 of the Act.
- 1.10 Upon completion of his Investigation, the Executive Director submitted a report on the matter to the Commission on 29<sup>th</sup> June 2018. The Report contains the findings of the Executive Director, his assessment of whether the proposed Undertakings address all the concerns identified by him, and his recommendations in respect of the Application (the 'Report').
- 1.11 The Executive Director's findings are that the application satisfies the conditions I, II and III set out under paragraph 5.6A(b) of CCM3 Guidelines for RPM amnesty. The Executive Director is satisfied that LaFarge (Mauritius) Cement Ltd has admitted its participation in conduct falling within the ambit of RPM under section 43 of the Act, as supported by the

CCM/DS/0030/2

documentary evidence submitted and has maintained continuous and complete co-operation from the time of its Application to the issuance of the Executive Director's Report.

1.12 Further to his assessment of Application, the Executive Director, in his Report, takes the view that LaFarge (Mauritius) Ltd, in its capacity as supplier, has engaged in four conducts raising competition concerns under section 43 of the Act with respect to its commercial dealings with hardware stores / distributors which resell its products.

1.13 The Executive Director views that:

- a. the communication of price lists to dealers containing resale prices for its products without mentioning the terms 'recommended price' raises a competition concern in so far such prices may be viewed as the price at which to sell the product or at least be regarded as the price being practiced by other resellers and inducing the reseller to follow that price.
- b. By further preventing its resellers from passing on the special incentives/discounts to end customers, it has restricted the freedom of the dealers concerned to set their own individual retail price and preventing them from factoring the discount from the special incentives into the final retail price.
- c. The adoption of retaliatory measures against certain dealers for failing to follow Lafarge (Mauritius) Cement Ltd's instructions regarding the resale price to be practiced is regarded as the mean adopted to establish a direct RPM and which has object of interfering into the pricing decision of the resellers.
- d. In respect of the [REDACTED] agreement with [REDACTED], clearly raise competition concerns in that by their very nature, they are likely to amount to evidence of RPM agreement between a supplier and a reseller.

1.14 The Executive Director has further assessed the Undertakings offered by Lafarge (Mauritius) Cement Ltd pursuant to condition iv paragraph 5.6A(b) of CCM3 Guidelines. The Executive Director takes the view that the proposed Undertakings satisfactorily addresses the concerns identified in the Report for the below-stated reasons.

1.15 The RPM concern stemming from the issue of price list to retailers is addressed by the measures proposed:

CCM/DS/0030/2

- i. In paragraph 12 of the undertakings, that Lafarge (Mauritius) Cement Ltd will *"amend all existing agreements, contracts, or other express arrangements with dealers, existing and prospective, to expressly include a clause therein to the effect that dealers shall remain free to fix or otherwise apply their own prices or price levels and that they are neither bound nor legally compelled to apply or comply with any recommended price or price level communicated to them..."*,
- ii. In paragraph 17 of the undertakings, that Lafarge (Mauritius) Cement Ltd will *"stipulate the word 'Recommended Retail Price' in all its present and future communications concerning prices of its products to dealers"*,
- iii. In paragraph 18 of the undertakings, that Lafarge (Mauritius) Cement Ltd *"has included the terms 'Recommended Retail Price' on its price list"*. A template of the new price list has been submitted by Lafarge [REDACTED].
- iv. In paragraph 19 of the undertakings, that Lafarge (Mauritius) Cement Ltd *"shall circulate a letter to its dealers informing them that they remain entirely free to fix or otherwise apply their own resale prices and that they are neither bound nor legally compelled to apply or comply with any recommended price or price level communicated to them..."*, and
- v. In paragraph 20 of the undertakings, that Lafarge (Mauritius) Cement Ltd *"undertakes that all future pricing communications with its dealers, whether oral or in writing, will include a statement that dealers are independent and free regarding their resale pricing policy..."*

1.16 The above measures from the undertakings have the effect of making resellers aware that they are free to set their own resale prices and they are not bound to follow any instructions from Lafarge (Mauritius) Cement Ltd. In that respect the possibility of RPM is eliminated.

1.17 The two RPM concerns stemming from the 'special incentives' as mentioned in paragraph 3.27 (c) and (d) of the Report are addressed by the measures proposed:

- vi. In paragraphs 12, 17, 19 and 20 of the undertakings, as already stated above,
- vii. In paragraph 13 of the undertakings, that Lafarge (Mauritius) Cement Ltd *"shall not, in any manner whatsoever, implement or cause to be implemented any measure (including through the use of economic advantages, incentives, threat, coercive measures or otherwise), having the object or effect of compelling, inducing, or attempting to compel or induce its dealers to apply any price(s), or price level(s), or price*

CCM/DS/0030/2

*components communicated to them by LMC in the resale of LMC's products",*

viii. In paragraph 14 of the undertakings, that "*[I]n respect of the special incentives provided to dealers, LMC (Lafarge) undertakes that it shall not restrict the freedom of its dealers, either in writing or verbally, to choose the manner in which they choose pass on the special incentives to the end consumers",*

ix. In paragraph 15 of the undertakings, that "*whenever a financial incentive or like advantage is provided to its dealers, LMC (Lafarge) will communicate, in writing, to dealer that the dealer is free to choose the way the incentive or advantage is passed on to the end customers."*

1.18 The above measures from the undertakings have the effect of making resellers aware that in the context of any special incentives granted to them by Lafarge (Mauritius) Cement Ltd the resellers are free to set their own resale prices and they are not bound to follow any instructions from Lafarge (Mauritius) Cement Ltd regarding resale price. In that respect the possibility of Lafarge (Mauritius) Cement Ltd operating an RPM through the special incentive is removed.

1.19 The RPM concern stemming from the [REDACTED] agreement is addressed by the measures proposed:

- i. In paragraph 10 of the undertakings, that Lafarge (Mauritius) Cement Ltd will "*refrain from entering into any agreement with any of its dealers, which establish or restrict, whether directly or indirectly, the resale price of LMC (Lafarge) products",*
- ii. in paragraphs 12, 13, 17, 19, and 20 of the undertakings, as already stated above,
- iii. In paragraph 21.1 of the undertakings, that Lafarge (Mauritius) Cement Ltd "*shall not, in any manner whatsoever, enter into or otherwise facilitate, either explicitly or implicitly, the implementation of any agreement with suppliers that involves resale price maintenance."*

1.20 According to the Executive Director, the above measures from the undertakings eliminates the possibility of RPM in the agreements that Lafarge (Mauritius) Cement Ltd will have with its resellers

1.21 The Executive Director recommends that the Commission accept the Undertakings and grant immunity from fines to the Applicant for its participation in the reported RPM conduct.

CCM/DS/0030/2

### III. Legal Framework

1.22 Section 43 of the Act prohibits and renders void 'any vertical agreement between enterprises to the extent that it involves resale price maintenance'. RPM is in turn defined at under section 2 of the Act as 'an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers'.

1.23 Having regard to the conditions prescribed under the RPM Amnesty Programme, an enterprise will benefit from immunity from financial penalty if it is involved in a conduct(s) that falls within the scope of section 43 of the Act and satisfies the conditions of the said programme.

1.24 In addition to admitting having participated in one or more RPM agreement(s), the applicant-enterprise is required to provide full and complete disclosure of all information, evidence and records available to it that relate to the reported RPM conduct. The enterprise is also required to maintain continuous and complete co-operation from the time of its application until the conclusion of any action by the CCM on the matter, including by securing the cooperation of its directors, officers and employees in view of effectively and expeditiously concluding the assessment process.

1.25 Pursuant to section 63(3) of the Act, the threshold for the acceptance of undertakings under section 63(3) is that the Commission must be satisfied that the undertakings address "*all the concerns it has about any prevention, restriction [or] distortion (...) of competition*" which may arise from the matter at hand.

### IV. Determination under sections 59(7) and 63 of the Act

1.26 Having regard to the Application submitted by Lafarge (Mauritius) Cement Ltd, the concerns which have been identified by the Executive Director in his Report, and the Undertakings offered by the Applicant, the Commission determines that –

- 1) Lafarge (Mauritius) Cement Ltd has, in its Application, admitted its participation in one or more RPM agreement(s) as enunciated above ;
- 2) Lafarge (Mauritius) Cement Ltd has complied with requirements (ii) and (iii) of paragraph 5.6A(b) of the CCM 3 Guidelines, as stated in the Report;
- 3) The Undertakings submitted by the Lafarge (Mauritius) Cement Ltd satisfactorily address the Commission's concerns in so far as –



CCM/DS/0090/2

- a. Lafarge (Mauritius) Cement Ltd has ceased its participation in/terminated all RPM agreements to which it was a party, as reported in its Application and;
- b. Lafarge (Mauritius) Cement Ltd has undertaken to put in place other measures as stated in section 1.12 of this document that would guarantee compliance with the Act.

#### V. Decision

#### NOW THEREFORE,

For the reasons set out in this Decision, the Commission decides as follows:

- 1) We accept that the Application made by Lafarge (Mauritius) Cement Ltd satisfies the conditions prescribed under the RPM Amnesty Programme as set out in paragraph 5.6A of the CCM 3 Guidelines on Collusive Agreements;
- 2) We accept the Undertakings offered by Lafarge (Mauritius) Cement Ltd, which are being published as per section 63(4) of the Act (see Annex);
- 3) The Undertakings shall be effective as from the date of this decision;
- 4) We grant immunity from financial penalty to Lafarge (Mauritius) Cement Ltd pursuant to section 59(7) of the Act for the Reported RPM conduct.

Done at Port-Louis this 12 December 2018.

Mr. D. P. A. Mariette  
(Vice-Chairperson)

Mr. C. Seebaluck  
(Commissioner)

Mrs. M. B. Rajabally  
(Commissioner)

Mrs. V. Bikhoo  
(Commissioner)

The image shows three handwritten signatures in black ink, each written over a horizontal dotted line. The top signature is the most prominent and appears to be 'D. P. A. Mariette'. The middle signature is smaller and less legible. The bottom signature is also smaller and less legible. The signatures are written in a cursive style.



## Annex 3

## Undertakings to the CCM

Undertakings provided by Lafarge (Mauritius) Cement Ltd to the Competition Commission Pursuant to an Application for Amnesty dated 20 October 2017  
In connection with the Competition Commission's Amnesty Programme for Resale Price Maintenance

### BACKGROUND

- Further to the application for immunity under the Competition Commission of Mauritius ('CCM') Resale Price Maintenance ('RPM') Amnesty Programme lodged on the 20th October 2017, pursuant to paragraph 5.6A of the 'CCM 3 Guidelines- Collusive Agreement' (amended June 2017) (hereinafter the 'Application'), by our Contact Persons and counsels Messrs Gavin Glover and Shailesh Seebarruth, on our behalf, we, Lafarge (Mauritius) Cement Ltd, are hereby providing the behavioural undertakings below concerning our commercial activities in Mauritius. These undertakings are designed to provide clear, objective and administrable rules governing the operations of LMC in Mauritius.

#### A. DEFINITIONS

- For the purpose of the present undertakings, the following terms or acronyms shall have the following meaning:

**LMC** means Lafarge (Mauritius) Cement Ltd and includes its branches, subsidiaries, or affiliates;

**Affiliate** means any enterprise directly or indirectly controlled by LMC;

**Commission** means the Competition Commission established under section 4 of the Competition Act 2007;

**Dealer** means any distributor, reseller, retailer, or other entity involved in the resale of LMC's goods or services in Mauritius;

**Effective Date** means the date on which the Commission delivers its decision to accept these Undertakings;

**Full Implementation Date** means a maximum of three (3) months as from the effective date;

**Resale Price Maintenance** means an agreement between a supplier and a dealer with the object or effect of directly or indirectly establishing a fixed or minimum price or price level to be observed by the dealer when reselling a product or service to his customers; and

**RPM** means resale price maintenance.

#### B. STATEMENT OF CASE

Lafarge (Mauritius) Cement Ltd  
Level 10, Mneva Tower - Ebene - Mauritius  
Phone : (+230) 405 2210  
E-mail : [lafarge@lafarge.com](mailto:lafarge@lafarge.com) - Website : [www.lafarge.com](http://www.lafarge.com)  
Business Registration No.: C07001139



A member of LafargeHolcim

**Direct establishment of RPM**

3. As far as instances of direct RPM are concerned, LMC referred to a [REDACTED] agreement which LMC signed with one of its dealers [REDACTED] ('the [REDACTED] Agreement'), on the 1<sup>st</sup> of September 2009, in its Application. The [REDACTED] Agreement, with the infringing clauses, more specifically clauses 5.3 and 5.4, [REDACTED]
4. The [REDACTED] Agreement was signed by [REDACTED] of LMC and [REDACTED]
  - 4.1. [REDACTED]
    - 4.1.1. [REDACTED]
    - 4.1.2. [REDACTED]
    - 4.1.3. [REDACTED]
    - 4.1.4. [REDACTED]
    - 4.1.5. [REDACTED]
    - 4.1.6. [REDACTED]
5. LMC would like to stress that, as opposed to para. 7.3 of LMC's RPM Amnesty application dated 20<sup>th</sup> October 2017, the [REDACTED] agreement expired [REDACTED] and is no longer valid.
6. LMC realises the importance and seriousness of section 43 of the Act and has therefore fully disclosed the above practices to the CCM as part of its Amnesty Application on the 20<sup>th</sup> of October 2017 and has obtained full immunity in regards to same.

**Indirect establishment of RPM**

7. As further reported in its Application, LMC also disclosed certain commercial practices, as hereunder referred, which could indirectly have the effect of restricting the minimum price at which its dealers could resell its products to end-customers.

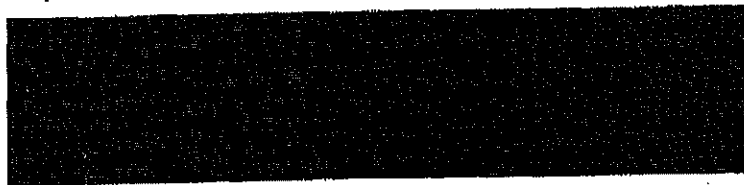
7.1. Resiliation of special incentives

7.1.1. LMC disclosed that there have been instances in the past where LMC has resiliated special financial incentives provided to its dealers, either when those dealers were selling its cement products at a price which was too low compared to that of other LMC dealers operating in the same geographical area; or when its dealers had failed to follow LMC's instructions to review their pricing policy. Although most of the communication that occurred between LMC and the dealers regarding the resiliation of special incentives were verbal and not recorded, LMC has reported the names [REDACTED] whose special incentives had been resiliated for failing to review their pricing policy following LMC's request.

7.2. Restricting dealer's freedom to pass-on special incentives

7.2.1. LMC further disclosed that there were also other instances where that it has imposed on its dealers not to pass on the special incentives provided to them in cash but to do so in kind only. LMC has reported [REDACTED] in its Application, wherein formal letters were sent to [REDACTED] dealers.

7.2.2. A copy of those letters are herewith attached as follows:



7.2.3. LMC would like to stress that the above letters had a limited duration and are no longer applicable.

7.3. Price lists communicated to dealers

7.3.1. LMC also disclosed to the CCM that, on a number of occasions, a price list of its cement products had been communicated to its dealers without mentioning the terms "Recommended Price", although it never was its intention to impose a minimum resale price on its dealers.

**C. MEASURES PROPOSED AS UNDERTAKINGS**



9. The undertakings below are given under section 63 of the Competition Act 2007 with a view to allaying the concerns of the Competition Commission in relation to the agreements that were referred to by LMC in its application for immunity on the 20<sup>th</sup> October 2017.

**Undertaking No. 1**

10. In respect of the [REDACTED] agreements that LMC has with its dealers, LMC undertakes that it shall refrain from entering into any agreement with any of its dealers, which establish or restrict, whether directly or indirectly, the resale price of LMC products.
11. LMC confirms that no other [REDACTED] agreements have been signed with other [REDACTED] in the like of [REDACTED].
12. LMC further undertakes that it shall amend all existing agreements, contracts, or other express arrangements with dealers, existing and prospective, to expressly include a clause therein to the effect that dealers shall remain entirely free to fix or otherwise apply their own prices or price

levels and that they are neither bound nor legally compelled to apply or comply with any recommended price or price level communicated to them by LMC.

**Undertaking No. 2**

13. LMC further undertakes that it shall not, in any manner whatsoever, implement or cause to be implemented any measure (including through the use of economic advantages, incentives, threat, coercive measures or otherwise), having the object or effect of compelling, inducing, or attempting to compel or induce its dealers to apply any price(s), or price level(s), or price components communicated to them by LMC in the resale of LMC's products.
14. In respect of the special incentives provided to dealers, LMC undertakes that it shall not restrict the freedom of its dealers, either in writing or verbally, to choose the manner in which they choose pass on the special incentives to the end consumers.
15. LMC further undertakes that, whenever a financial incentive or like advantage is provided to its dealers, LMC will communicate, in writing, to dealer that the dealer is free to choose the way the incentive or advantage is passed on to the end customer.
16. LMC has already taken the necessary remedial measures by implementing the proper pricing policy which would not lead to the indirect effect of restricting the price or price level at which its dealers can resell its products to end-customers.
17. LMC has further taken appropriate actions at its end to clearly stipulate the word "Recommended Price" in all its present and future communications concerning prices of its products to its dealers.

**Undertaking No. 3**

18. With respect to the price lists communicated to dealers, LMC has included the terms 'Recommended Retail Price' on its price list, a template of which is being provided to the CCM
19. LMC undertakes that it shall circulate a standard letter to its dealers informing them that they remain entirely free to fix or otherwise apply their own resale prices and that they are neither bound nor legally compelled to apply or comply with any recommended price communicated to them by LMC.
20. LMC further undertakes that all future pricing communications with its dealers, whether oral or in writing, will include a statement that dealers are independent and free regarding their resale pricing policy and/or resale pricing decisions for LMC's products.

**D. FUTURE CONDUCT AND BEHAVIOURAL UNDERTAKING**

21. LMC agrees to continue co-operating with the CCM and hereby undertakes to apply the following measures in its commercial dealings with suppliers, as the case may be, in the resale of their respective goods or services in Mauritius:
  - 21.1. LMC shall not, in any manner whatsoever, enter into or otherwise facilitate, either explicitly or implicitly, the implementation of any agreement with suppliers that involves resale price maintenance;
  - 21.2. LMC shall, where a supplier has recommended a minimum resale price for its goods and/or services and the resale price appears on the goods, inform such suppliers, in writing, to include the words 'recommended price' next to the resale price;

- 21.3. LMC shall not accept any offer – whether periodic, promotional or otherwise – from suppliers that involves resale price maintenance or is otherwise made conditional upon LMC's observance of resale price maintenance;
- 21.4. LMC shall not, directly or indirectly, require, coerce, or otherwise induce, in any manner whatsoever, suppliers to make binding any price or price level upon dealers when reselling the supplier's goods or services;
- 21.5. LMC shall ensure that all existing agreements, contracts, or other express arrangements with suppliers, existing and prospective, expressly include a clause therein to the effect that LCM remains entirely free to fix or otherwise apply its own resale prices and that it is neither bound nor legally compelled to apply or comply with any recommended price communicated;
- 21.6. LMC shall immediately inform the Commission, in writing, of any attempt on the part of suppliers to implement or otherwise coerce or induce the implementation of resale price maintenance to be observed by LMC in reselling LMC's products and shall, pursuant to a written request by the Commission, provide the Commission with the relevant and non-privileged documents in support thereof;

#### **E. INFORMATION DISSEMINATION**

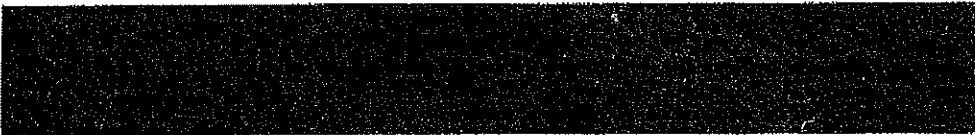
- 22. LMC shall take all appropriate measures to ensure that all its internal management, directors, and employees engaged in the purchase and/or resale of goods and/or services are fully aware of and actively implement the present undertakings when implementing LMC's pricing policy, in line with the provisions of the Competition Act 2007.
- 23. LMC shall use its best efforts to ensure that the present undertaking is made known to and is understood by all dealers.

#### **F. REPORTING**

- 24. LMC shall, as from the date of acceptance of this undertaking, take all reasonable steps to ensure that all communications with suppliers are properly documented and archived to demonstrate LMC's compliance with the present undertakings when reselling goods or services;
- 25. LMC shall, [REDACTED] submit a written report to the Commission that inter alia,
  - 25.1. confirms that LMC has implemented a compliance programme, details of which shall be submitted to the Commission;
  - 25.2. describes the steps taken by LMC to comply with the present undertakings and in particular, setting out all the appropriate measures taken by LMC to deter, detect and correct any deviation by LMC's management, directors, or commercial employees from the present undertakings; and
  - 25.3. identifies all amendments put in place with its agreements and/or dealings dealers in relation to the commercialisation of their respective goods or services.

#### **G. GENERAL**

- 26. The above undertakings comprise the entire extent of LMC's commitments to or agreements or understandings with the CCM.

27. LMC shall be bound by the present undertakings and shall be responsible for ensuring its compliance therewith.
28. For the avoidance of doubt, the above undertakings do not preclude LMC from continuing to price competitively, and in so doing increase or decrease its prices and/or volumes and/or market shares (in compliance with the "Act"), in any market in which it participates currently or which it may enter into in the future.
29. 
30. I remain at your disposal for any further clarification that you may require. In this respect, please find below my contact details for future reference.

**H. ENTRY INTO FORCE**

The present Undertakings shall take effect upon their acceptance by the Commission.



**Jimmy KHAN**

*Managing Director*

Duly authorised for and on behalf of:

**Lafarge (Mauritius) Cement Ltd**

This 15<sup>th</sup> May 2018