

RIAD COMPETITION LAW COMPLIANCE GUIDELINES

It is generally the case that membership rules as well as the comportment of members of an association can create competition law issues. Breaches of competition law can be severely sanctioned by the responsible competition authorities, and therefore, as an association consisting of businesses that compete with each other in some form or the other, RIAD needs to protect itself and its members against the risk of infringements. Consequently, it is important that RIAD establishes clear rules that ensure compliance with competition law and RIAD's competent body, the General Council, decided to establish this competition compliance programme with do's and don'ts and explicit competition law guidelines which describe the organisation and responsibilities as well as fields of activities and sphere of competences.

Article 1 – Commitment

RIAD and its members agree that competition is hallmark of a free market economy because it ensures that businesses are under constant pressure to provide customers with the best possible range of goods and services at the best possible prices. Therefore, RIAD and its members are determined to comply with national as well as international competition law and commit themselves to respect in all their actions the rules and guidelines set out below which are meant to ensure that members remain independent of each other, continue to exert competitive pressure among themselves, recognise and avoid legal risks and reputation risks, define standards and proceedings and constantly exercise control over their behaviour.

Article 2 – Cooperation which is considered legal

The following ways of cooperation are considered to be legal, in particular if they serve to improve efficiency and quality of legal protection insurance, help to achieve industry standards, assist with the development of new technologies, develop market opportunities and enhance competition:

- ❖ Lobbying for changes to or amendments of legislation and law in whatever form
- ❖ General studies to support lobbying efforts
- ❖ Scientific studies in fields of interest of members
- ❖ Acting as an industry documentation centre
- ❖ Information that comes from legitimate public sources

Article 3 – Commercially sensitive cooperation

a) Members are not allowed to discuss issues that are considered as being commercially sensitive topics. These are in particular:

- ❖ Sales or purchase prices
- ❖ Terms and conditions of sale
- ❖ Market shares
- ❖ Company-specific costs
- ❖ Current or forecast market information
- ❖ Marketing or productions plans
- ❖ Customer allocation
- ❖ Any other information which can be commercially relevant to your company or to your competitors
- ❖ Actions likely to be considered as 'insider dealing' or other forms of market abuse

b) The above prohibitions do exceptionally not apply if it can be concluded that the commercial information which is meant to be exchanged has become commercially less relevant, historical, anonymous and in particular aggregated so that it is not possible to reverse engineer the information to deduct information on individual companies. As a rule of thumb it can be assumed that it is safe to exchange information that is at least twelve

months old, unless other regulations, for instance on data protection, do not determine otherwise. However, more recent information can be exchanged provided it is entirely aggregated.

Article 4 – Guidelines for members’ and staff’s behaviour

The following rules are established as guidance for RIAD staff and RIAD members.

- a) Members are solely competent and responsible for activities outside RIAD.
- b) Handling meetings between members within the association:
 - ❖ Send out detailed meeting agendas well in advance, i.e. at least eight days in advance
 - ❖ During the meetings: stick to the agenda points and do not discuss prohibited issues
 - ❖ If necessary, take legal counsel to a meeting to monitor compliance before, during and after the meeting or for any discussion of sensitive matters
 - ❖ Brief staff as to what can and cannot be discussed in a meeting
 - ❖ Read out a competition law reminder at the start of meetings to ensure that it is at the forefront of everybody’s mind
 - ❖ If a member has reservations regarding competition issues about a subject that is discussed, he has to interrupt the meeting and must ask the chairperson to terminate the debate about the subject
 - ❖ Leave the meeting if according to your estimation a discussion on a prohibited subject is taking place, ask the chairperson to end the discussion and have both noted in the minutes
- c) General rules:
 - ❖ Obtain legal advice if you are unsure as to whether a course of action is acceptable or not
 - ❖ To be on the safe side, provide only information which is historic, fully aggregated and cannot influence competitive behaviour

Article 5 – Sanctions

The Board is competent for adequately sanctioning any violation of compliance rules by members of RIAD bodies, working groups, and RIAD staff. Sanctions must only be imposed after having heard the person or persons concerned.

Depending on the kind, extent and importance of the violation, the following sanctions can be imposed:

- ❖ Call to order
- ❖ Written reprimand and
- ❖ Exclusion/ denunciation

Article 6 – Taking effect

These guidelines were approved by the General Council on 25 September 2014 and come into effect with their approval.