

INTERNATIONAL CAPITAL MARKET SERVICES ASSOCIATION

COMPETITION LAW STATEMENT

The Management Committee of the International Capital Markets Services Association (“**ICMSA**” or the “**Association**”) has adopted the following policy to ensure that all activities of the Association operate in compliance with UK and EU competition laws.

1. Introduction

It is the Association’s policy to comply with all UK and EU competition laws both in letter and spirit. This policy applies to anyone acting on (i) the ICMSA’s behalf; and (ii) behalf of an ICMSA member.

Members are reminded that UK and EU competition laws apply to their business activities, actions and communications, including the actions, activities and communications which take place under the auspices of trade associations such as the ICMSA.

This policy statement is necessarily general in nature and cannot anticipate every legal issue or fact pattern that might be faced by the ICMSA, its members, or its staff. Therefore, it is important that individuals consult the ICMSA’s Chair or Vice Chair, who shall in appropriate cases seek legal advice, when questions arise as to the application of this policy.

2. Trade Associations & Competition Law Issues

Trade associations, such as the ICMSA, are legitimate, important bodies, which advance issues of common interest to the industry. However, as the ICMSA includes members who are competitors, we must be vigilant to ensure that participation in the Association complies with competition laws at all times.

Competition law violations can lead to significant fines and damages actions for the Association and/or members concerned, and fines, imprisonment and/or director disqualification for individuals. Competition proceedings and litigation are expensive, time-consuming and burdensome even when ultimately successfully defended. Moreover, mere allegations of wrongdoing can harm both the Association and concerned members’ reputations.

3. UK and EU Competition Laws

UK and EU competition laws prohibit arrangements between undertakings and decisions by associations of undertakings, which have as their object or effect the prevention, restriction or distortion of competition and which may affect trade in the UK / between EU member states. Competition laws are not limited to formal contracts and agreements; rather, they extend to all forms of cooperation, however informal. In particular, they prohibit practices which include:

- Directly or indirectly fixing purchase or selling prices;
- Limiting or controlling the provision of services, markets, technical development or investment; and
- Sharing markets and/or customers.

Particularly relevant with regard to the Association is the fact that the exchange of competitively sensitive information can breach UK and EU competition laws. Competitively sensitive information is information which, if disclosed between competitors (or potential competitors), could enable such competitors to predict each other’s future behaviour and coordinate their behaviour on the relevant markets. A one-way disclosure of competitively

sensitive information is sufficient to breach competition laws, even if the recipient does not disclose any information in return.

UK and EU competition laws also prohibit any abuse by one or more undertakings of a dominant position which may affect trade in the UK / between EU member states.

4. Policy

The following policy is provided to ICMSA members to help ensure that no meetings, discussions or activities of ICMSA members breach UK or EU competition laws, and in particular, that no competitively sensitive information is exchanged. This policy applies before, during and after formal meetings (including any breakout sessions), informal meetings, events and presentations ("**ICMSA Interactions**" or "**Interactions**"). Please keep in mind that UK and EU competition laws are complex and that this policy does not cover all contingencies. Please consult the Chair or the Vice Chair if you have any questions about the application of this policy.

Do not

- Discuss or otherwise communicate with any other competitor or potential competitor (whether before, during or after ICMSA Interactions) on any of the following:
- Price or price elements (including discounts, rebates, surcharges, allowances, concessions, price mark-ups, coupons and the like).
- Terms and conditions on which you supply services to your customers.
- Information relating to individual customers, suppliers, or competitors.
- Allocation of services, customers, markets, territories, or sales.
- Bids, bidding terms, tactics, strategies or practices.
- Refusals to purchase from, or modification of purchase arrangements with, suppliers.
- Financial information such as profits, margins, forecasts and costs.
- Employment-related agreements (e.g. no-poach or wage-fixing agreements).
- Current or future strategic plans, business plans, commercial plans, intentions, trade secrets, promotional activities and marketing strategies or investment plans.
- Items which do not feature on the ICMSA Interaction agenda. This should also be helpful to avoid potential situations that could give rise to anti-trust concerns.
- Any other confidential, non-public or competitively sensitive information.

Do

- Always review agendas for ICMSA Interactions prior to attendance to ensure that no items on the agenda raise competition law concerns. If ever in doubt you should seek legal advice.
- Be cautious in the presence of competitors even in informal or social situations. Even informal discussions or throw-away comments can lead to problems if, for example, there is subsequent uniformity in action by competitors afterwards.
- Allow open and equal participation of members in all ICMSA Interactions and do not exclude a specific member or group of members from particular Interactions.
- Ensure that you receive and carefully review the minutes and presentations of all ICMSA Interactions. If the minutes are inaccurate, incomplete or raise any questions, insist on rectification.
- Consider taking summary written notes of all discussions and presentations relating to the ICMSA. Assume that any notes you take will be discoverable in the event of any investigation or other litigation.

- Keep in mind that activities relating to standard setting, lobbying activities, benchmarking and statistics dissemination can give rise to competition law risks, especially when presented as a collective decision of ICMSA from which members should not deviate.
- Seek legal advice as soon as possible if you are concerned that the activities of the ICMSA raise competition law concerns.
- Seek legal advice before discussing any topics or issues which you think could be potentially sensitive from a competition law perspective.
- Record any steps you take to ensure compliance with competition rules.

Remember that codes of conduct do not justify any anticompetitive conduct or agreement. Furthermore, remember that just being present when illegal discussions are taking place can be sufficient to implicate you and your company in a competition law infringement, even if you do not actively participate in the discussions.