



COMPETITION LAW

Guidance for Governors, Fellows, Directors and staff

Everyone who participates in a Leasing Foundation activity is responsible for complying with The Competition Act 1998 that prohibits the discussion, communication and exchange of commercially sensitive information. Laws in other territories may apply to participants from outside of the UK.

Participants in the Leasing Foundation are not restricted in any respect in how they conduct their businesses. Participants are free to make independent, competitive business decisions.

Anyone unsure of his or her obligations should seek independent legal advice.

COMPETITION LAW

The competition laws are intended to preserve competition by prohibiting concerted practices that restrict competition.

Trade associations can provide benefits to the marketplace but because they may involve groups of competitors working together on common industry issues, trade associations are subject to particular scrutiny.

It is the policy of the Leasing Foundation to comply with all antitrust or other competition-related laws.

The following guidelines describe the principles that the Executive, Governors, Fellows and staff of the Foundation should comply with when preparing, organising and attending meetings and Foundation activities.

These guidelines have been endorsed and adopted by the Foundation's Board of Directors.

It is the responsibility of each Foundation Governor, Fellow, Director and member of staff to comply with competition law. It is not the responsibility of the Foundation to ensure individuals' compliance with competition law. Anyone unsure of his or her obligations should seek independent legal advice.

WHAT IS PERMITTED AND PROHIBITED

The following are the most serious infringements of competition law:

- Price fixing, including agreeing discount or rebate levels, or resale price maintenance;
- Bid-rigging, group boycotts, allocation of customers or markets.

Infringements may occur in any of the following activities if they are undertaken with an anticompetitive motive:

- Discussions in meetings;
- Information exchange or data collection;
- Working groups and projects;
- Standard-setting and self-regulation;
- Membership issues.

The examples below are based on the Finance and Leasing Association's 'traffic light' system. They illustrate the types of activity that law permits and prohibits. Even without a written or verbal agreement, responding to pressure, exerting pressure, or doing what is expected can be sufficient to violate anti-competition laws.

If in doubt, seek advice from your own compliance or legal department.



EXAMPLES OF WHAT IS PERMITTED

- sharing of market analysis
- discussion of general market conditions
- recommendations on Foundation strategies, events and projects,
- discussion of regulatory issues or political developments relevant to the industry.



EXAMPLES OF WHEN YOU SHOULD BE WARY AND SEEK ADVICE

- you become aware that information has been received by one participant from a third party about another participant's pricing or trading terms
- you receive information from another participant, or are asked to provide information, that you think is confidential or commercially sensitive
- others want to discuss a collective approach to customers or third parties with whom they all deal.



EXAMPLES OF WHAT IS PROHIBITED

- discussion of sensitive business information such as trade margins, future prices, credit terms, discounts, rebates or specific prices charged to specific consumers or businesses;
- using a third party to obtain information regularly about a competitor's prices or trading terms;
- agreeing as a group not to deal with certain customers or third party suppliers or to share geographic markets or to divide or allocate customers either for the purchase or sale of goods or services.

CONDUCT OF MEETINGS AND OTHER ACTIVITIES

Organisers of meetings and other events where competitors will be present should ensure, where practical, that an agenda is available and that minutes are kept. Organisers should be prepared to end meetings where unlawful activity may be taking place. Any participant in a meeting may draw attention to a possible breach of the law and request that the meeting ends or that individuals be excluded from the meeting.

GOVERNORS, FELLOWS, DIRECTORS AND STAFF OF THE FOUNDATION

Governorship and Fellowship of in the Leasing Foundation is by invitation only and approved by the relevant committee. Staff appointments are made by the Directors. Staff who do not comply with competition law may be liable to be dismissed in accordance with Leasing Foundation employment contracts and procedures.