



ECM Competition Law Compliance Policy

Introduction

ECM (Vehicle Delivery Service) Ltd (“ECM”) is committed to compliance with all laws and regulations governing its businesses including laws relating to competition.

“Competition compliance” is simply a method of making sure that we, as both the company and individuals employed by the company, comply with the various legal rules at a national and European Union level, which are designed to ensure that competition within the UK is not restricted.

The two sets of legal rules come from the Competition Act 1998 and The Enterprise Act 2002 in respect of national competition law, and Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU) for EU competition law.

What do the laws aim to do?

The Competition Act 1998

- Prohibits anti-competitive agreements and abusive conduct by dominant businesses in the UK

The Enterprise Act 2002

- Makes it a criminal offence for individuals to enter into an agreement relating to a company’s involvement in price-fixing, a market sharing, bid-rigging or production-limiting cartel

The TFEU

- Create a single market for the free movement of goods and services throughout the member states of the EU

Consequences of non-compliance

- Fines of up to 10% of the company’s turnover can be imposed
- In respect of EU law, higher fines can be imposed for repeat offenders
- The contract which has infringed the competition law can be wholly or partially invalid, which means the company cannot enforce it
- Third parties who suffer loss as a result of the anti-competitive behaviour may bring an action for damages against the company
- The anti-competitive behaviour can attract adverse press coverage

- In respect of the Enterprise Act 2002 (amended by the Enterprise and Regulatory Reform Act 2013), there are two risks for individuals:
 - i. It is a criminal offence to enter into certain cartel arrangements. Financial fines and/or even imprisonment can be enforced against any individual responsible and/or ECM.
 - ii. Directors of companies that have infringed UK or EU competition law face potential disqualification as a director.

ECM does not engage in conduct which is anti-competitive. ECM will not enter into agreements with other supply chain partners, companies or organisations which could, or do, or intend to restrict, prevent or distort competition in the finished vehicle logistics market.

ECM strives to adhere in all of its business practices to the principle of ethical, fair and effective commercial competition between businesses and stakeholders.

Where ECM's prospects of being successful in any tender, bid or Request For Quotation may be enhanced by joining with another supply chain partner that provides complementary services, for example a Shipping Line, Compound Handling Operator or regional Car Carrier, any such arrangement will be on normal commercial terms and will always provide that:

- both parties being satisfied that they have complied with and will continue to comply with competition laws and regulations,
- co-operation is limited to that which is necessary for the purposes of making a successful joint bid; and
- where deemed necessary, the parties will take independent legal advice in respect of the joint bid.

This policy and employees

Any breach of this policy by any employee is a serious breach of that employee's contract of employment which will result in appropriate disciplinary action including, in case of gross misconduct, dismissal of that employee and may amount to criminal misconduct.

This policy is published on the ECM Website. Each ECM employee dealing with third parties must be aware of this policy and reminded of its terms and effect at regular intervals.

The management of ECM is committed to complying with competition laws. To ensure all of its staff are fully aware of the main rules of both UK and EU competition law, our Competition Law Compliance Manual is available for all to read. It also sets out guidelines which must be followed when dealing with matters which may pose competition law issues. All staff are asked to read this Manual carefully, and raise any queries or comments they have with the managerial team.

This policy and the Manual cover all of ECM's business activities. Both are reviewed annually by the ECM Board of Directors to ensure they reflect current national and EU legislation and regulation.

Allen Stuart
Commercial and Finance Director
Company Secretary

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