

SMITH & SONS (BLETCHINGTON) LIMITED

COMPETITION LAW POLICY

Smiths Bletchington is committed to undertaking its business activities responsibly and sustainably, meeting the needs of customers, employees and other stakeholders, while managing the social and environmental impacts of our activities.

INTRODUCTION:

The Competition Act 1998 imposes rules designed to preserve fair competition for trade within the UK.

The competition rules are enforced by the Competition and Markets Authority (CMA).

Smiths will comply with Competition Law is an important issue for Smiths. Where the OFT discovers an infringement of the Act, it has the power to impose fines of up to 10% of company turnover. Employees who engage in unlawful price fixing or market sharing could face imprisonment and unlimited fines.

The Directors of Smiths are firmly committed to complying with Competition Laws and all employees should be aware that any infringement of the procedures or guidelines related to this policy will be viewed seriously and could result in disciplinary action leading to dismissal.

If you have any queries or are uncertain whether Competition Law may apply to specific activities you should consult the Company Secretary who will contact our legal advisors as appropriate.

It is the duty of each employee to observe the requirements of this compliance policy at all times.

WHAT IS COMPETITION LAW?

Competition Law is law that seeks to maintain market competition by regulating any competitive conduct by companies. Anticompetition conduct may be practised by a company or group of companies to maintain their market share and profits to the cost of their customers in terms of price or quality, broadly comprising two areas:

- **Contact with Competitors** – written or oral understandings between competitors to fix prices, share markets or customers, exchange commercially sensitive information or agreements, to boycott buying and selling from certain customers or suppliers. Normal trading relationships with competitors are not prohibited.
- **Abuse of a dominant position** – companies with strong market power may be able to exploit their power by charging excessive prices, or uneconomically low prices to drive a competitor out of business. A dominant position is not in itself an infringement of Competition Law, but it can lead to abuse by anti-competitive conduct.

PROCEDURES AND GUIDELINES RELATED TO SMITHS COMPETITION LAW POLICY

- New employees with commercial responsibilities are instructed in the Competition Law Policy and Compliance procedures; with a requirement to adhere to the same included in their Job Description.
- Monthly declarations are required from each relevant employee that there has been no discussion on prohibited matters with any competitors.

- Completion of Adverse Contact report is required if an employee is concerned that a meeting with a competitor may have discussed potential or actual anti-competitive practices.
- An annual review of commercial staff's performance in respect of Compliance Policy.
- Competition Law Compliance is included on the Agenda of all Management and Divisional meetings of the company, particularly commercial meetings.
- Employees are encouraged to report and discuss any Competition Law Compliance concerns with their Director or the Company Secretary.

(A full copy of the detailed rules relating to the Competition Law Policy can be provided on application to the Company).

Ric Clemmey

Managing Director
August 2021