



ANTI-COMPETITIVE PRACTICES IN THE CONSTRUCTION SECTOR

INTRODUCTION

Knights Brown believes in open and fair competition and seeks competitive advantage only through fair, honest and lawful methods. We want to work in an industry that is open and honest, and for our stakeholders and competitors to know this is how we behave.

We comply with all competition and anti-trust laws and recognise that an agreement need not be in writing to be illegal.

We have appointed our finance director to the role of compliance officer, to maintain a record of any reported suspicions or allegations of anti-competitive behavior.

COMPETITION LAW

The UK construction industry is subject to UK and EU competition law, the purpose of which is to preserve free, fair, and efficient competition for the benefit of all companies operating within the sector and their clients. This means that companies must:

- Not restrain competition through agreements, arrangements or understandings that restrict competition.
- Bid for contracts and tenders independently from, and without any prior agreement or arrangement with, their competitors.
- Not exchange competitively sensitive information or engage in any discussions (formal or informal) that may lead to the coordination of anti-competitive behaviour. This means companies must not share information about current or future pricing intentions for tenders, or any information that might influence prices or pricing practices, including the exchange of cover prices.

BREACHES OF COMPETITION LAW

If found to be in contravention of competition law, companies and individuals can expect the following penalties:

- Substantial fines imposed on companies, of up to 10% of annual worldwide turnover.
- Unenforceability of any agreements entered into.
- Payment of damages to those who have suffered losses because of the offending agreement/conduct.
- Damage to corporate reputation and management time wasted dealing with investigations and legal proceedings.
- Fines and/or imprisonment for up to five years for directors or employees found guilty of engaging in anti-competitive activity.
- Disqualification of directors who have participated in, or have negligently failed to act against, anti-competitive agreements or conduct.

WE MUST

- Take great care when dealing with our competitors. Any kind of agreement with a competitor (for example, any agreement to use/not to use certain suppliers or subcontractors, or to tender/not tender within certain areas or for types of work) can give rise to competition concerns.
- Report any suspicions or allegations of possible anti-competitive behaviour to the compliance officer including any meeting or discussion with a competitor or other party that, although innocent in nature, might be construed by a third-party observer as giving rise to anti-competition concerns.



- Notify the compliance officer immediately, if we receive confidential information that we should not have obtained such as a competitor's tender information or other confidential information that could be considered prejudicial to the competitive nature of a tender.

WE MUST NEVER

- Exchange competitively sensitive information that is not in the public domain with competitors or other parties, as it might be interpreted as an inappropriate agreement or understanding.

- Seek or provide a cover price for a tender that we or a competitor have decided not to price or enter discussions about coordinating competitive tenders to share the opportunities.

MONITORING AND REVIEW

The implementation of this code will be monitored by the compliance officer who will bring all cases involving breach, or potential breach, of competition law to the attention of the directors for their consideration.

All recommendations for change to our procedures, including this policy will be considered by the board before being implemented.



KEVIN VALENTINE | MANAGING DIRECTOR
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