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randstad group policy

# fair competition policy.

randstad

human forward.

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## 1. why this policy

Our relationships with our clients, candidates, employees, shareholders, and other stakeholders are based on Randstad's core values and Business Principles and are essential to our excellent reputation. That reputation is built day after day and year after year by you, our employees. But in your daily business you may face complex competition law compliance challenges. This policy is intended to clarify how we want you to conduct business when facing such challenges.

Our core values **to know** and **to trust** should guide us in competing with others. We can be tough, but we should always compete in a fair and lawful manner and never endanger the trust others have in us. Most countries have adopted laws to make sure that competition is encouraged while anti-competitive behavior is punished. The reasoning behind adopting such rules is that in competitive markets, prices should be competitive (and not artificially high), innovation should be rewarded, scarce resources should be used efficiently, and client service should be optimized. If competition laws (in some countries also known as 'antitrust laws') are violated, both HR services companies and clients will suffer. Companies will suffer if their competitors collude to gain an unfair advantage, and clients will suffer if vendor collusion artificially impacts pricing or service or product innovation.

Anti-competitive behavior greatly endangers Randstad's reputation, financial position, and future business. It may also have severe personal consequences for violators. Fines for breaches of competition law are huge, and one of our largest financial risks. It is therefore important that you read carefully what is expected of you.

This policy is consistent with and supportive of Randstad's Business Principles, especially Principles 1 and 2:

1. We know and comply with international human rights principles, Randstad's internal policies and procedures, and the laws that govern our business.
2. We know and comply with competition and antitrust laws.

# 2. what we expect from you

It is essential that our employees (including officers and directors), especially those whose work may be subject to competition laws (e.g., our consultants and employees in sales, marketing, purchasing, and management positions), fully understand our competition policy and are able to identify situations where competition law issues could arise. Whenever you hesitate or something simply does not feel right, we expect you to take a break and discuss the issue internally before proceeding. For managers, this also means being responsible for supporting the compliance efforts of those reporting to you, explaining our principles to your team, and ensuring compliance within your area of responsibility.

## 2.1 what is competition law all about?

One of the main purposes of competition law is to create a level playing field, so that companies can compete effectively and fairly. In addition, individual companies should remain fully independent in deciding on their own commercial terms and conditions. Competition law therefore prohibits any agreement between companies where the intention or the impact is to restrict competition. This includes oral and written agreements with one or more competitors on ways of working together or ways of responding to each other's moves in the market.

Most countries in which we do business have adopted laws that determine how companies should deal with competitors, subcontractors, clients, suppliers and other third parties. These rules may vary from country to country. Some rules even apply to business conduct outside national borders (e.g., the rules within the European Union and within the US).

Two basic rules that always apply are:

- companies should take their business decisions independently of their competitors
- arrangements with competitors that restrict competition are illegal

> ***Q.*** *So what is an agreement under competition law?*
>
> ***A.*** *An agreement under competition law is interpreted broadly. It can be a written agreement between companies, but also an oral agreement between employees of two or more companies, a mutual understanding (or a "gentlemen's agreement"). It could also be an understanding that starts with a casual conversation or exchange of information, but which later develops into an understanding. And it includes all agreements that have the intention to restrict competition. Such an "agreement" does not need to be effective or acted upon in order to be anti-competitive and therefore in breach of competition law. An example of an anti-competitive gentlemen's agreement is the informal agreement between competitors not to poach or hire each other's employees. This restricts competition between the parties in the market for hiring experienced workers.*

Be aware that many breaches of competition law occur because people in a given industry (in our case the HR services industry) react to a change that impacts their profit or turnover (e.g., a new entrant, a change in law, or a client's new strategy) and they try to retain what they have.

## 2.2 which scenarios should Randstad and I focus on?

The key element to remember is that you need to avoid any kind of behavior that might restrict competition. To this end, put yourself in the position of the affected client or competitor, and ask yourself whether everything is fair for all parties concerned. If you were the affected client or competitor, would you feel it is fair for all?

The scenarios to focus on are as follows:

## a. market sharing arrangements

You need to stay away from market-sharing arrangements with (potential) competitors[1] that restrict competition. For example, it is prohibited to agree with (potential) competitors:

- to stay away from certain territories or parts thereof;
- to stay away from providing certain services;
- to stay out of certain markets or segments;
- to blacklist or boycott clients, suppliers or other competitors;
- to exclude from sales existing clients of the competitor, client categories or client channels;
- to try to divide the market in any other way; and
- to manipulate a competitive tender process for example by colluding on pricing, choosing a winner for a particular tender (sometimes called 'bid rigging') and/or coordinating commercial behavior.

***Q.*** *You are employed by Randstad. One of your friends and a former colleague now works for a competitor. At a social event, your friend mentions tough competition in the market. The two of you jokingly suggest that you should divide up the territories and not work for each other's clients. Is this behavior appropriate?*

***A. No, it is not.*** *Contacts between competitors, whether work-related or social, create chances to agree to limit competition. As a result, these contacts may be viewed as suspicious by competition authorities. Your friend and you knew you were just joking. However, anyone who overheard the conversation may believe that you had agreed to divide up the market. Even innocent discussions can be used as evidence of an illegal agreement. Remember that oral agreements can also be illegal! Always talk to competitors in such a way that the full discussion can be published openly.*

## b. price-fixing

All types of price-fixing arrangements between competitors are unacceptable. This means agreeing to apply the same or similar commercial conditions. Some examples of unacceptable price fixing include arrangements:

- to adhere to a specific price list;
- to limit or agree on discounts;
- to agree on uniform payment terms; and
- to establish uniform costs, fees, multipliers, coefficients, price increases and/or mark-ups.

For master vendor, co-suppliers and MSP activities, see section e.

***Q.*** *You happen to meet a manager who works for a competitor and discuss the heated competition between your two companies, including the price cuts each has taken on. You agree that it would be much more profitable if both companies charged similar fees, rather than waste resources fighting one another. Would this arrangement violate competition law?*

***A.*** *Yes, this is a classic violation of competition law. An agreement between competitors to fix or set prices almost always violates competition law, because it results in decreased competition and higher prices for clients. Companies and individual employees who agree on prices face both civil and criminal penalties, including jail time for individuals. Companies should exercise unilateral (independent) business judgment when making decisions about prices and other terms of service, including discounts, rebates, and commercial conditions.*

[1] *Arrangements between parent and subsidiary companies or only between affiliates are generally not prohibited. However, if two affiliates present themselves as acting independently in the marketplace but actually have a coordinated business policy, check with Randstad Legal if this is an issue (check competition law, but also take into account (public) tender requirements).*

## c. sharing commercially sensitive information

So as to avoid any suspicion or accusation of anti-competitive behavior, no commercially sensitive information should be discussed with others in the industry. Whenever you meet competitors, be it at HR conferences, industry federation meetings, presentations of new services or otherwise, the exchange of business sensitive information must be avoided.

Some examples of information that should **not** be discussed when talking to (potential) competitors are:

- prices, actual costs, cost structures;
- timing of price changes;
- terms and conditions offered to clients (for MSP activities, read section e below);
- technical/strategic developments (e.g., Digital Factory projects), marketing plans, client segments, trends and future investments; and
- how changes in law impact prices (e.g., strategies for changes in subsidies).

## d. industry federation meetings

Even when you meet with competitors in a more formal setting (e.g., an industry federation meeting), commercially sensitive information should not be exchanged; only non-sensitive business issues can be discussed.

When talking with competitors, remember to always use clear and unambiguous language that cannot be misunderstood or misconstrued to have an anti-competitive meaning. Think of how it would read if published on social media, in newspapers or in court.

***Q.*** *During a break at an industry federation meeting, you are talking with some of your competitors. The topic of conversation turns to bids that they are participating in to win contracts from certain government purchasers. Someone says, "You know, we should just all bid above $XX." Some of the others in the group agree. You stay silent, as you know you should not be discussing these issues with your competitors. Soon after, the group breaks up and returns to the federation meeting. Is this appropriate behavior?*

***A. No, it is not****. Arrangements between competitors to manipulate bids are almost always illegal for the same reasons that price-fixing is illegal. You are right, therefore, to refrain from participating in the conversation about bids. But just leaving is not enough. You should make what is called a 'noisy exit'. Because silence can be taken as acceptance, you should always speak up and object to the conversation and then leave immediately. Don't forget to inform Randstad Legal of the situation.*

See annex 2 for further guidance on industry federation activities.

## e. joint bidding / joint projects / master vendor / subcontracting

If one of your clients asks you to cooperate with a (potential) competitor in a joint project or teaming arrangement (as partner, master vendor, subcontractor, co-supplier or Managed Service Provider), make sure to first check the arrangement with Randstad Legal and adhere to their guidance regarding the use and sharing of competitive information in such instances, as well as regarding limitations on solicitation of employees. Try to involve the client as much as possible in order to increase transparency and ensure you are acting in the interest of the client.

**Randstad Sourceright – MSP (managed services provider) and RPO (recruitment process outsourcing) services**

Randstad Sourceright (RSR) offers outsourcing services of part of its clients' HR business processes. These services may include the management (on behalf of the client) of the client's suppliers, their temporary work suppliers and/or other external service providers (e.g., freelance consultants, self-employed workers). These suppliers may include Randstad Group entities, RSR itself, and Randstad Group competitors. As a result, specifically in the MSP role (less so in the RPO role), RSR holds valuable commercially sensitive information about other suppliers (Randstad's competitors) and about Randstad Group suppliers. As the exchange of such commercially sensitive information may result in violation of competition laws, RSR has put in place an "information barrier". This means that:

- commercially sensitive information possessed by RSR about Randstad's competitors must not be shared with other Randstad Group companies or with any section of RSR itself;
- commercially sensitive information possessed by RSR about Randstad Group companies must not be shared with a competing temporary staffing company;
- commercially sensitive information possessed by Randstad Group companies about competitors of RSR must not be shared with RSR.

***Q**. RSR acts as Managed Service Provider for a client. Randstad staffing companies are among the many suppliers. One of the Randstad staffing account managers approaches her RSR colleague to ask if he could give some insight into the pricing of the other suppliers, to better align the pricing of Randstad staffing companies. Can RSR share this information?*

***A.** No. Even though this would involve the sharing of information within the Randstad Group, the information barrier forbids this. To avoid any competition issues, we have agreed not to transfer commercially sensitive information possessed by RSR about Randstad's competitors to other Randstad Group companies. Sharing this information would be in breach of the information barrier obligations that RSR has committed to and in breach of RSR's confidentiality obligations to other suppliers.*

## f. commercially sensitive information of competitors received from third parties

It is perfectly acceptable to gather information on the activities of Randstad's competitors from publicly available sources, such as the internet, publications, newspapers, annual reports, etc. In principle, you are also permitted to ask third parties, such as clients and consultants, questions about competitors; however, you may not induce them to reveal to you information which they should keep confidential. Whenever you receive competitor prices or conditions from a client, always register how/where/when you received it, so that the origin of such information can be verified if required in the future.

Do not collect, accept or use any commercially sensitive and confidential information from, or relating to, competitors of which you know (or have good reason to believe) that the use of such information might constitute a violation of a duty of confidentiality, or of the law.

If it is not clear to you whether or not you can make use of certain information from, or relating to, competitors, ask Randstad Legal to review the information and to advise on its use before you use such information or share it with others within the company.

***Q.*** *During a recent sales visit, a client gave you a copy of a competitor's price list to support his opinion that Randstad's prices are too high. Should you have accepted the price list?*

***A.*** *If a client gives you competitor pricing information (most likely to make you lower your pricing), make sure you make a note of how you obtained the information (e.g., by writing the client name, contact person, purpose of the meeting and date at the top of the price list). If you are ever unsure about whether you have received or used information legitimately, consult Randstad Legal.*

### g. exclusivity arrangements with suppliers or subcontractors

Exclusivity arrangements can be anti-competitive, especially if they involve an influential player in a market and restrict competitors from accessing that market. If, on behalf of Randstad, you want to agree on some form of exclusivity with a supplier or subcontractor, always consult Randstad Legal.

### h. abusing a dominant market position[2]

Given Randstad's current market share and the fragmented nature of the HR services market, Randstad is unlikely to be considered a **dominant company** in most countries (market position of 30% or more). However, if Randstad could be considered to be a leading player in a certain niche market, you should consult Randstad Legal.

# 3. when in doubt and/or when to report

It may be difficult to establish what conduct, under specific circumstances, is (just) permitted and what conduct is not, especially in the area of fair competition. When in doubt, raise your concern with Randstad Legal (local or global), or an external legal counsel. Transparency must always be part of the Randstad culture. It determines how we look after each other and it prevents you or one of your colleagues from getting into a very harmful or even criminal situation.

If you suspect that a Randstad employee, a competitor, a client, or a supplier has violated competition rules, you are obliged to raise your concerns with Randstad Legal. You can also make use of the Integrity Line, which is part of the Misconduct Reporting Procedure.

Whenever an issue arises, we need to properly assess the situation and consider what action can be taken. If a Randstad employee is the source of wrongful behavior, Randstad can take appropriate measures (internal and/or external) to stop this behavior. Some competition authorities provide "immunity" to a company that "blows the whistle" (i.e., actively approaches the competition authority to report on its participation in anti-competitive behavior). In this way, the reporting company may avoid being fined in spite of having breached competition law, subject to full cooperation with any investigation by the competition authority.

The sooner Randstad can respond to a potential breach of competition law, the better we will be able to deal with such breach.

It is therefore essential that you promptly disclose to Randstad Legal (or the Integrity Line) if:

- you have witnessed an apparent violation;
- you are aware of facts that lead you to believe a violation has occurred; or
- you have personally been engaged in a violation.

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[2] *In the event of a dominant market position, Randstad is not allowed (among other things):*
- *to discriminate between equal or similar clients (e.g., by charging different prices for the same services, providing different discounts in the same turnover schemes, or servicing one client and refusing to service another without objective justification);*
- *to provide certain services only in combination with unrelated other services (this is known as "tying");*
- *to charge excessively high prices (or temporarily very low prices to squeeze out a competitor);*
- *to refuse to deal with a potential client; or*
- *to demand exclusivity from the client.*

*For further guidance, please consult Randstad Legal.*

Each reported incident will be taken seriously by Randstad and will be investigated thoroughly. In some cases, however, activities that in the first instance appear questionable may, on closer examination, be entirely appropriate or indeed required.

A policy cannot describe all circumstances and rules. As an employee, you should use your common sense and professional judgment at all times.

# 4. sanctions

Competition authorities have far-reaching power to investigate companies and the power to impose very severe fines on companies in the event of non-compliance (in the EU, this can be up to 10% of worldwide revenue; in the US, this can be up to US$ 100 million or twice the value of the harm done). But non-compliance may also lead to fines for the individuals involved, dismissal for misconduct or even imprisonment. Non-compliance will also seriously harm Randstad's reputation. We may be excluded from participating in public procurement or be blacklisted by clients. Clients may also claim compensation.

***Q.*** *Has Randstad ever been involved in any competition issues?*

***A. Yes.*** *Randstad was fined € 18 million for price-fixing in France in 2009 (Adecco was fined € 34.2 million and Manpower € 42 million). In the UK, Randstad was also involved in anti-competitive behavior. However, in that case, Randstad was awarded immunity by the competition authority, as we reported this illegal activity to the authority. Had we not been the first one to blow the whistle, we might have been fined up to £ 116 million! Hays was fined over £ 30m, and their share price dropped 3.5% on the day of the announcement.*

Non-compliance with this Policy on fair competition may result in disciplinary measures being taken. As stated above, you are obliged to report any suspicion or actual violation of competition law. If you fail to do so, you may also be subjected to disciplinary action. So please help us to build trust and support our excellent reputation.

*NB: If stricter requirements in relation to fair competition apply to you (e.g., rules contained in your employment contract, applicable local law or staff regulations), these stricter requirements will always prevail over those laid down in this policy.*

## contact details Randstad Legal and Global Legal

Where this policy refers to **Randstad Legal** it refers to the legal department of the relevant Randstad Company. Where the Randstad Company does not have a legal department, either the external legal advisor must be contacted or Global Legal directly.
**Global Legal** may be contacted via the legal counsel at Global Legal that is responsible for your country (via Randstad Legal) or via the senior compliance counsel, Dieuwke Visser (dieuwke.visser@randstad.com or complianceofficer@randstad.com).

# annex 1

***some additional competition scenarios: in case of any doubt, pause and discuss***

| | unacceptable<br><br>DON'Ts | carefully analyze based on local law<br><br>DISCUSS | normally acceptable<br><br>DOs |
|---|---|---|---|
| **Talking to competitors** | Never discuss commercially sensitive information without legal advice | Meeting competitors at trade association meetings or conferences | Always discuss issues with others in such a manner that you would feel perfectly comfortable if your entire conversation were to be made public |
| | Never discuss and never agree on pricing or similar competitive conditions or territory sharing | Any other behavior | Always discuss issues with others in such a manner that you would feel perfectly comfortable if your entire conversation were to be made public |
| | Never talk to competitors without a legitimate business reason | Entering into negotiations with a competitor to cooperate, jointly enter a bid or subcontract to a competitor | Talk about non-sensitive issues, aggregated and historical data (at least >1 year old, not related to ongoing contracts) and generic, external developments |
| | Don't stay quiet when one or more competitors are discussing commercially sensitive information | Any other behavior | Indicate clearly that you are convinced that discussing commercially sensitive information is unacceptable and that you are leaving the discussion |
| **Agreements involving various Randstad Group companies and a client** | | "Intra-group" agreements between various Randstad group companies, especially if these operate under different brands and/or seem to act independently | |
| **Sharing commercially sensitive information within the Randstad Group** | Never use commercially sensitive information received from a competitor with whom we cooperate (e.g., as MSP) for purposes other than those contractually agreed | Any other use | Get guidance from Randstad Legal before using commercially sensitive information received from a competitor with whom we cooperate (e.g., as MSP) |
| **A client requesting similar or even identical offers from competitors** | | Always consult Randstad Legal | Act in line with guidance received from Randstad Legal |
| **For RSR: Use of electronic/digital platforms to manage relationships with staffing suppliers** | Don't share prices, fees, mark-ups, volumes, etc. with/among competitors or Randstad Group companies | Always consult Randstad Legal | |

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|---|---|---|---|
| **Requests for proposals (RFIs and RFPs)** | Never agree with a competitor to bid or not to bid | Any other behavior | Remain fully independent in your own decision making |

# annex 2
# guidance on industry federation activities

Federations perform useful and legitimate functions, and as such are accepted to be a forum for:

- protecting and promoting the interests of private employment agencies and their related services in order to enhance and sustain their growth;
- creating the most suitable legal environment for the industry to operate in;
- promoting and increasing quality standards within the industry;
- discussing generic issues affecting the industry, such as taxation, health & safety, legal developments, government policy issues, general economic developments;
- improving the understanding of the reality of our industry, especially by gaining recognition for our positive contribution to a better functioning labor market; and
- membership rules, federation bylaws, code of conduct, etc.

Federations may differ vastly in terms of tasks, size, the way they work, and the industry members represented. They all have a general assembly and a board, and some may have specialized work groups and even their own legal counsel.

Federation meetings are a convenient platform for competitors' representatives to meet and exchange legitimate information as set out above. However, they are also open to potential abuse for anti-competitive arrangements (intentionally or unintentionally), resulting from casual remarks or discussions.

If you are a participant in a federation board, work group or other meeting, this is what you need to know/do:

- make sure that a code of conduct has been communicated to the members;
- when talking with competitors, remember to always use clear and unambiguous language that cannot be misunderstood or misconstrued to have an anti-competitive meaning. Your language must be publishable on social media, in newspapers or in court;
- before and after the meeting, have the agenda and the minutes carefully screened by Randstad Legal;
- make sure that discussions at meetings (as well as before and after, and during breaks) do not go beyond the approved agenda items; when competitors start discussing any DON'Ts, object, terminate the conversation, and walk away. When at a meeting, ensure this is recorded in the minutes;
- do not discuss market conditions, market behavior, a common approach to the market, or any other commercial issue that may affect participants' competitive conduct;
- when discussing legislative changes that impact costs or subsidies, do not discuss or agree how, when, what or if such costs or subsidies should be passed on to clients;
- check that the membership rules do not boycott competitors;
- do not make arrangements with respect to refraining from hiring the employees of competitors (non-poaching arrangements);
- make sure that the federation has appropriate safeguards in place when collecting and

exchanging information about their members or industry stakeholders for publication.

# FAIR COMPETITION POLICY
# the basics to remember:

Companies should take their business decisions independently of their competitors.

Arrangements (written, email exchange, oral, mutual understanding) with competitors that restrict competition are illegal.

Contact Randstad Legal in case of any doubts or questions or when you suspect or know someone is breaking the rules.

## DOs

- Avoid contact or meetings with competitors unless you have a legitimate reason.
- If you receive competitor prices/conditions from a client, register how/where/when you received them.
- When competitors start discussing any of the DON'Ts, terminate the conversation, walk away, and make a note of it.
- Always discuss any proposed agreement by or with competitors with Randstad Legal immediately.
- Always remember that documents may be read and conversations overheard, and possibly be misinterpreted, by colleagues, regulators or other third parties.

## DON'Ts

- Do not discuss, disclose or agree arrangements with competitors relating to price or other commercially sensitive and/or confidential information (costs of supply; profitability; strategy; business and marketing plans; product development plans; information on clients).
- Do not divide markets and/or clients with competitors.
- Do not agree with competitors to blacklist or boycott clients, suppliers or other competitors.
- Do not try to influence competitor prices and conditions to the detriment of clients (e.g. in the context of an MSP).

## INDUSTRY FEDERATION specifics
## All of the general DOs and DON'Ts are also applicable!

- Ensure there is a code of conduct that has been communicated to the members.
- Have the agenda and minutes checked by Randstad Legal.
- Only discuss the topics on the agenda.
- Only exchange information that has been approved as not giving rise to competition concerns.
- Object, terminate the conversation and walk away if competitors start discussing any DON'Ts, and ensure this is recorded in the minutes.
- Do not make arrangements with respect to refraining from hiring the employees of competitors (no-poaching arrangements).
- Do not discuss how/when/what/if any costs or subsidies related to changes in laws and regulations should be passed on to clients.