

Randstad Group policy

Title	Competition law compliance policy
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1. Purpose

The Executive Board of Randstad Holding nv fully supports the principle that operating companies should compete vigorously in their markets. It is expected that all employees will act in full compliance with all applicable competition laws to ensure that Randstad earns the "trust" of its clients and protects its business from civil and criminal liability, investigations and fines, thereby enhancing its reputation. This Compliance Policy provides Randstad Group companies with guidance on competition laws, behavior that may be prohibited by such laws and steps that should be taken if an employee has any concerns regarding potential infringements.

2. Applicability

This policy applies to all organizations within the Randstad Group with immediate effect.

3. Status

This policy incorporates the list of "Dos and Don'ts" used by Randstad and the Competition Compliance Guide used by Vedior and hereby replaces such documents.

4. Definitions

Not applicable

5. Policy and related documents

Your responsibility in Complying with Competition Laws

Although all employees should be familiar with the full content of this Compliance Policy, set out below is a set of basic "dos and don'ts" that will give Randstad employees an early warning of areas which may infringe competition law.

DOs

- ✓ **Do** avoid contact or meetings with competitors unless you have a legitimate reason for doing so. Particular care should be taken during discussions at trade associations and the legal department should preferably look at agendas before meetings
- ✓ **Do** discuss any proposed agreements by or with competitors with the legal department before negotiations begin, so that they can identify any possible competition law issues
- ✓ **Do** be aware that a poor choice of words can make a perfectly legal activity look suspect

- ✓ **Do**, if a competitor starts discussing any of the items listed under "**DON'TS**" below, always state that you cannot discuss such matters, terminate the conversation, keep an accurate file note of this and of what was said, and follow the "Reporting Violations" procedure set out below; merely remaining silent is not sufficient
- ✓ **Do** check with the legal department which intra-group agreements are allowed with which Randstad group companies
- ✓ **Do** when sharing information with colleagues within Randstad about prices and conditions offered by a competitor engaged by Randstad, identify the context within which that information has been

obtained (to avoid the impression that the information has been obtained as part of an attempt to coordinate prices)

DON'Ts

- × **Do not** discuss or agree arrangements with competitors relating to
 - × prices, rates, discounts, timing of pricing changes or other trading conditions
 - × allocations or restrictions relating to markets and/or sources of supply (by location or customer)
 - × supply or marketing schedules
 - × blacklisting or boycotting of any licensees, customers, competitors or suppliers
 - × limiting or controlling any investment or technical development
 - × cooperation agreements with competitors (unless the legal department has been consulted)
- × **Do not** allow or seek access to or discuss confidential or other unpublished business information of Randstad or its competitors (such as prices; costs of supply; profitability; strategy; business and marketing plans; product development plans; information on customers)
- × **Do not** discuss or agree arrangements with competitors on bids for contracts or procedures for responding to bid invitations
- × **Do not** discuss with or disclose to a competitor engaged by Randstad (for example in the context of an MSP) the prices and conditions which Randstad is offering to the customer
- × **Do not** try to influence the prices and conditions offered by a competitor engaged by a Randstad MSP in a manner that is detrimental to the customer

References to “**arrangements**” above are not limited to arrangements in writing. Arrangements can be written or oral and include not only formal arrangements but also informal arrangements and activities and can be inferred from surrounding circumstances.

If you believe that one of Randstad's employees, competitors, clients or suppliers is breaking competition laws you should report such matter in accordance with the section “Reporting Violations” set out below.

Background

It is the policy of Randstad to compete vigorously in each market, in full compliance with all applicable competition laws. As wrongful actions by even junior employees could expose Randstad to an investigation and the risk of substantial fines, it is important that everyone understands the basic concepts of competition laws applicable to Randstad's activities. Failure to do so may jeopardize Randstad's reputation and business. Breaking competition laws is a serious matter, which may lead to disciplinary action against the employees concerned.

Infringing competition laws may expose Randstad to civil lawsuits brought by persons who can prove that they have suffered damage. All employees should be aware that in some jurisdictions, e.g. France, the US and the UK, an infringement of competition laws may constitute a criminal offence and result in fines for individuals and even imprisonment.

This Compliance Policy focuses on the general principles of competition law and procedures to be followed, which laws and procedures uphold the principles of fair competition and free markets. However, all employees should bear in mind that national law may vary from the basic principles referred to in this Compliance Policy and local legal advice should always be sought before engaging in any competition sensitive activities.

The Purpose of This Policy

Compliance with competition laws depends on everyone's commitment and behavior. This means that all employees must take personal responsibility for becoming sufficiently familiar with the general principles of competition laws to know when and how to raise questions and report violations of competition laws. For managers, this also means being responsible for supporting the compliance efforts by those reporting to you and ensuring compliance within your area of responsibility.

The competition authorities expect companies to be aware of competition law and such laws have been applied with increasing vigor in recent years. Management has a responsibility to establish effective rules to ensure compliance. Where larger companies are concerned, the competition authorities expect a higher degree of knowledge.

Summary of Most Serious Anti-Competitive Acts

The most serious anti-competitive practices, which are prohibited in most countries worldwide, including the European Union pursuant to Articles 81 and 82 of the EC Treaty, are as follows:

- **Horizontal Agreements:** Any agreement among competitors to limit or diminish competition in any respect, notably:
 - Any agreement among competitors to raise, lower or stabilize prices or discounts, or to fix the terms or conditions of sale;
 - Any agreement among competitors to divide or limit sales to certain territory or customers;
 - Any agreement among competitors to limit or divide production or sale of a product;
 - Any agreement among competitors to exchange confidential/strategic information in order to facilitate market coordination; and
 - Any agreement among competitors to not sell to or purchase from a particular customer, supplier or competitor.
- **Exchanging commercially sensitive information:** The exchange of commercially sensitive information may indicate the existence of an unlawful agreement to restrain competition. The exchange of commercially sensitive information may be considered, in itself, a violation of the competition rules. Indeed, such an exchange would replace uncertainty of the market with a form of cooperation between businesses, which are in a position to anticipate each other's behavior in the market. Even purely informal contacts are likely to raise the suspicions of the competition authorities.

You may wonder how this applies to sharing competitively sensitive information with Managed Service Providers (MSPs). In performing the tasks as an MSP Randstad will receive information about prices and conditions offered by its competitors. As long as the flow of information is purely one-directional and only serves to enable Randstad to perform its tasks as an MSP, it is acceptable for Randstad to receive this information and to share it within the Randstad Group. Randstad should however not provide any information about its own prices and conditions to its competitors (except to a competitor MSP) or engage in any attempt to coordinate prices and conditions with competitors. In addition, while Randstad is in principle free (within the limits set by the contract agreed with the customer) to try to fulfill the staffing needs of the customer by providing its own services before engaging other staffing agencies, Randstad should not unduly restrict the freedom of the customer to engage staffing agencies of its own choice. The receipt of information concerning prices and conditions offered by competitors entails the need to observe extra care in dealing with such competitors.

- **Vertical Agreements:** Any agreement between independent commercial operators at different levels to limit or diminish competition in any respect. Moreover, some vertical agreements may have horizontal aspects, mainly when they are signed with a company that is, for the purpose of the contract, a subcontractor, but in other contexts, a competitor. This may be the case when a staffing company acts as a manager of other staffing companies acting as its subcontractors. Such subcontracting arrangements only raise competition concerns if they limit or diminish competition, such as by the inclusion of overbroad non-competition or non-solicitation provisions.
- **Anticompetitive behavior by a dominant company** (a company may be presumed to be dominant if it holds more than a 40% market share on any market) vis-à-vis other independent companies at different levels, notably:

- Predatory pricing: excessively low pricing on the part of a business that is capable of bearing the additional costs incurred nevertheless may lead to elimination of all competition on the market and to the establishment of a monopoly;
- The application of dissimilar conditions to equivalent transactions by a dominant party with other trading parties, thereby placing them at a competitive disadvantage;
- Refusal to supply by a dominant company without an objective justification; and
- Making the conclusion of a contract subject to acceptance by the other parties of additional obligations, which by their nature have no connection with the subject of the contracts.

It is unlikely that Randstad would be considered a **dominant company** in many countries given its current market share and the fragmented nature of many markets, but this may be the case in certain niche markets; when Randstad can be considered as a leading player in such niche markets, you should seek legal advice on whether there is a risk of dominant position.

The arrangements in question can be written or oral and include not only formal arrangements but also informal arrangements and activities. A violation can occur if parties concerned, for example in an informal meeting, express their intention to behave in a particular way. The existence of an illegal arrangement may be inferred from all the circumstances, and can be a continuing business relationship between the parties or a concerted practice. For example, an informal oral arrangement between two competitors not to undercut each other's prices or rates or to share client information would be illegal.

Intercompany Agreements

Arrangements between parent and subsidiary companies generally are not prohibited by competition laws. This rule extends to agreements between affiliates or sister companies within the same commercial organization. Still, if two affiliates appear to act independently on the market place but actually have a coordinated business policy or if the common control of affiliates is ambiguous to the public and to customers, such an arrangement potentially could infringe competition law; it is recommended to seek legal advice in such situations.

Penalties for Violations

Violations of competition laws can have severe and highly personal consequences. In most countries, companies found guilty of such violations can be subject to both civil and criminal sanctions, including significant financial penalties. Moreover, in certain countries, any employee taking part in these activities can be personally fined and/or given a prison sentence.

- Company Fines

The courts or competition authorities have the power to impose very severe financial penalties for violations of competition laws. For example, in Europe, such fines may amount to 10% of the whole group's worldwide turnover.

By way of illustration, the following table gives an indication of the amount of fines imposed by the European Commission (the authority that enforces the EU competition rules) and/or national competition authorities on companies in recent cases:

Case	Amount of fine	Type of infringement
Adecco, Manpower and	€ 94.4 million	Exchange of commercially sensitive

VediorBis (France)		information and bid rigging in one specific tender offer
Recruitment cartel (UK)	£ 150 million	Price fixing and collective boycott
Vitamin cartel	€ 855 million	Market-sharing and price-fixing
Microsoft	€ 497.2 million	Refusal to supply and bundling by dominant firm
Plasterboard cartel	€ 478 million	Price-fixing and market-sharing
Carbonless paper cartel	€ 313.7 million	Price-fixing and market-sharing
Lombard Club (Bank cartel)	€ 124.26 million	Price-fixing
Christie's and Sotheby's (auction houses cartel)	€ 20.4 million	Price fixing

The Commission may also impose periodic penalty payments not exceeding 5% of the average daily turnover in the preceding business year per day for each day that a company continues to infringe competition law subsequent to the Commission's decision compelling the company to terminate the infringement.

- Civil sanctions

Violations of competition laws usually result in lawsuits against the company by private parties who claim to be injured by the violations. Such civil actions are becoming more common. Competition lawsuits can be extremely costly. A plaintiff may seek (a) orders to prevent the offending activities; (b) damages (and up to three times the amount of damages sustained as a result of the alleged antitrust violation in the US, otherwise known as "treble damages"); and (c) certain legal costs. In addition to the amount the company may be required to pay to satisfy a judgment against it, normal business operations can be significantly disrupted due to the time employees must spend in defending such lawsuits. Defence of a lawsuit will also burden the company with substantial legal fees and adverse publicity.

Furthermore, with respect to prohibited agreements, in many jurisdictions such agreements are null and void, as is the case in regards to agreements that violate EU law.

- Individual criminal sanctions

Although competition law violations do not result in criminal sanctions on a EU level, several substantial jurisdictions, including the US, France and the UK do apply criminal penalties in certain cases. For example, in the US violators may be subject to a \$1 million fine and may face up to ten years imprisonment for each count of conviction. In France, any individual who personally and in a determining manner is involved in anticompetitive practices can be punished with 4 years imprisonment and a fine of 75,000 euros.

- Damage to Reputation

Investigations, and especially convictions obtained by the competition authorities, are generally made public and discussed in the media. A company's reputation can be significantly damaged, particularly in its relationships with its existing or potential customers or its commercial partners.

Practical Guidelines for Randstad Employees

The following is a non-exhaustive list of "danger areas" in which Randstad employees may find themselves. Please seek appropriate legal advice before you enter into any such agreement or undertake any such action, as you could be violating the rules on competition.

- Arrangements with competitors resulting in **collusion as to prices, rates** or any other **trading conditions** or that involve some element of **market sharing** or **allocating of customers** - these are clearly prohibited.

- **Meetings set up by a client that unites competitors** to negotiate future supply contracts. In such circumstances:
 - There should be a limit on exchange of information between competitors at the meeting to what is strictly necessary for the negotiations and we should avoid entering agreements with competitors on price/terms prior to such a meeting;
 - Even if requested by the client, competitors should avoid proposing identical offers;
 - If the behavior of competitors/the client at such a meeting raises suspicions of collusion, you should immediately follow the reporting procedure set out in the paragraph "Reporting Violations" below.
- **Exchange of business information** or plans between competitors, including information on the coefficient proposed by competitors and their cost structures; given the transparent nature of the temporary staffing market (as the clients themselves circulate information on competitive offers), any supplementary exchange of such information between competitors will be perceived by competition authorities as particularly suspicious. It is especially important when proposing tools to the clients to help them manage their relations with staffing companies (e.g. electronic platforms) to take precautions to ensure that these are not used to exchange information with competitors, especially on prices or volumes.
- **Arrangements between parent and subsidiary companies or affiliates** are generally not prohibited. However, if two affiliates appear to act independently on the market place but actually have a coordinated business policy, such an arrangement could infringe competition law; it is recommended to seek legal advice in such situations.
- In the context of **electronic bids**, the exchange of information with competitors, arrangements resulting in collusion of bids or agreements between competitors not to participate in such bids are prohibited. Randstad must determine its pricing strategy/offer on an independent, commercial basis (i.e. it can fix for itself price ceilings beyond which it will not bid but on an independent basis).
- **Trade association meetings/lobbying contexts.** The competition laws do not just apply to companies, but also to trade associations. It is understandable that companies in the temporary employment sector will meet from time to time to discuss health and safety, environment and labour law issues and form common positions on legislation vis-à-vis the national authorities. However, these meetings should not result in discussions, for example, as to how to approach a common client, whether a new tax should be passed on to the clients through a price increase or how to prevent the entrance of new competitors. If, as a company employee, you attend a trade association meeting, you should object if discussion turns to any such prohibited topic and leave the meeting if such discussion does not cease. Trade associations should also be careful when circulating industry statistics, as the authorities may deem this as an exchange of sensitive information between competitors.

Reporting Violations

Competition law is aimed at maintaining conditions of fair trade by, amongst other things, establishing a level playing field. Authorities deal harshly with companies and individuals that break the rules.

If, therefore, you feel that one of Randstad's own employees, competitors, clients or suppliers is breaking the rules, you should seek legal advice from either your internal Legal Department, if you have one, or from Group Legal in Randstad Holding to see if legal action can be taken to stop it. Randstad may, for example, lodge a complaint with the competition authorities or take legal proceedings for damages or for a declaratory judgment that a contract or arrangement is unlawful and void.

If a Randstad employee is the source of the infringing behavior, Randstad can take appropriate measures both internally and externally to stop the infringement. The quicker Randstad can react to a potential competition law infringement, the better position it and its employees will be in with regard to dealing with such infringements.

When to report?

It is the responsibility of each employee to report any apparent violation of competition laws as soon as possible by reporting any such matter in accordance with Randstad's Misconduct Reporting Procedure.

You should make prompt disclosure under the Misconduct Reporting Procedure if:

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

Each reported violation will be taken seriously by Randstad and will be investigated thoroughly. In some cases, however, activities that on their face appear questionable may, on closer examination, be entirely appropriate or required.

Conclusion

The role of this Compliance Policy is to increase your awareness of competition laws and to encourage you to seek legal advice and/or report potential violations, whenever you are in doubt as to the legality of your own actions or the behavior of other operators in the market place. You are not expected to become a competition law expert, but an infringement of competition law could have a very serious effect on Randstad's financial situation, its reputation and the future success of its business, as well as, in some cases, on your own individual situation. Please consult with either your internal Legal Department, if you have one, or Group Legal in Randstad Holding if you have any questions about this Compliance Policy.