

Management System

Policy

Competition Law Compliance Policy

Morgan Sindall Corporate Policy

Competition Law Compliance

Revision Schedule

Rev. No.	Date	Details of change
Rev 1	June 2020	First issue for new integrated management system platform

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Competition Law Compliance Policy

Morgan Sindall Construction & Infrastructure Ltd ("Morgan Sindall") is committed to adhering strictly to all competition laws.

We are wholly supportive of open and fair competition in this regard and do not condone any activity which might in any way unfairly restrict the level of competition expected by our clients and procuring authorities. We will do all that we can to ensure that those procuring our services enjoy fully the benefit of open and fair competition.

The potential consequences of breaching competition law are serious for Morgan Sindall Group plc, Morgan Sindall and individual employees.

Accordingly, it is Morgan Sindall policy to ensure that its activities are conducted in accordance with all competition laws. Detailed Standards/ Guidance will be provided to Morgan Sindall employees to ensure they are conversant with relevant competition law/ best practice and how it may impact on their job role in Morgan Sindall.

Material and / or deliberate disregard of this Policy or the related Standard / Guidance will be viewed very seriously and may be regarded as a disciplinary matter.

This Policy is supplemental to and should be read in conjunction with the Morgan Sindall Policies for Ethics in the Workplace, Competition Law Compliance, and Fraud Prevention.

If employees are uncertain about the application of this Policy or the related Standards/Guidance to their day to day activities, or are uncertain about the legality of an agreement, arrangement or course of conduct they should always seek advice from their line manager, Head of Internal Audit, Head of Legal or Morgan Sindall Group General Counsel.

Signed 

Pat Boyle
Managing Director – Construction

June 2020

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Competition Law Compliance Policy

1.0 Purpose

To set out Morgan Sindall policy in relation to competition law compliance.

2.0 Introduction

Competition law is designed to protect businesses and consumers from anti-competitive behaviour. The law stimulates effective competition which results in open, transparent, dynamic markets with enhanced productivity, innovation and value for our clients and other procuring authorities.

The UK construction industry is considered by the Competition and Market Authority ("CMA") to be an industry of increasing concern in relation to potential breaches of competition law. As a consequence, the CMA is becoming increasingly active in educating businesses about illegal practices and investigating potential infringements of competition law in the construction industry.

The CMA has considerable powers of investigation including but not limited to powers to require production of documents or information, to enter and search premises to conduct investigations, to use informers and whistleblowers, and to impose penalties of up to 10% of global turnover and criminal sanctions in cases of infringement.

This document is a statement of Morgan Sindall's Policy on competition law compliance.

3.0 Policy

3.1 Compliance with the Law

Morgan Sindall is required to comply with competition law and the Morgan Sindall Group plc Competition Law Policy and Ethics Policy. Competition law develops and evolves over time but the most important sources of law at present are the Competition Act 1998, which prohibits anti-competitive agreements and the abuse of a dominant position, and the Enterprise Act 2002, which introduced criminal sanctions for cartels (e.g. price-fixing and bid-rigging) (hereafter the "Competition Law").

The consequences of infringing Competition Law are extremely serious both for individual employees, Morgan Sindall and for the wider Morgan Sindall Group. Following an investigation by the CMA, a finding of infringement under the Competition Act 1998 or Enterprise Act 2002 may result in:

- substantial fines on Morgan Sindall (up to 10% of Morgan Sindall Group turnover);
- exclusion from future tender opportunities;
- unenforceability of agreements entered into by Morgan Sindall;
- substantial damages payable by Morgan Sindall;
- damage to Morgan Sindall's corporate reputation;
- wasted management time and cost (including external costs) in dealing with investigations and legal proceedings;
- fines and / or imprisonment for up to 5 years for directors or employees found guilty of participating in "hard core" cartel activity;
- up to 15 years disqualification of directors who have participated in, or who negligently failed to take action against, anti-competitive agreements or conduct by Morgan Sindall.

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Practices which are regarded as being anti-competitive include any agreements between businesses, decisions by associations of businesses (such as Trade Associations), or concerted practices which have the effect of preventing, restricting or distorting competition, or are intended to do so, and which may affect trade

Specific practices identified as being anti-competitive and in breach of the Competition Laws include the following:

- passing to any competitor any information on Morgan Sindall pricing or pricing policy, including giving or receiving a cover price;
- fixing purchase or selling prices (including tendering prices) or other trading conditions;
- agreeing with competitors, suppliers or customers to limit or control production, markets, technical development or investment;
- agreeing with competitors to divide or share markets (whether geographic, work type or otherwise);
- agreeing with competitors not to bid for tenders or to withdraw a bid or to allocate bids on a rota basis or any other form of bid-rigging;
- agreeing with competitors to discriminate against particular suppliers or customers, including a collective boycott.

3.2 Risk Assessment

Morgan Sindall will assess the risks posed to the company in a changing market place to assess the nature and extent of potential competition law exposure. Such risk assessment shall be carried out by appropriately qualified employees, properly documented and updated as necessary.

3.3 Guidance & Training

The Competition Law Compliance Standard has been developed for Morgan Sindall employees to ensure they are conversant with relevant competition law/ best practice and how it may impact on their job role at Morgan Sindall. In that respect the Standard explains what is permitted and not permitted under Competition Law in sufficient detail so as to enable employees to find answers to specific practical questions or to know who they should approach for guidance.

Areas that are covered explicitly are as follows:

- the obligation on all employees to comply with Competition Law;
- the policy to cooperate with the CMA in relation to investigations;
- contacts with competitors, and when communications / dialogue become problematic from a competition perspective;
- the impact on our supply chain;
- document retention / destruction;
- use of language including “secret” or “coded” communications;

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- consequences of breaching this Policy (which may be treated as gross misconduct);
- what action to take in the event of discovering an infringement of Competition Law, or reasonably suspecting a possible infringement.

Dawn Raid Guidance has also been provided to provide guidance as to how to react to the arrival of a CMA search team and what to do next.

Morgan Sindall will also provide appropriate Competition Law education and training to all employees through a variety of means, including mandatory web-based training.

3.4 Updates

Competition Law is continually developing. Morgan Sindall will remain abreast of key developments in this area of law (e.g. in relation to the types of practices that the CMA finds to be anti-competitive in the construction sector) and ensure the Guidance / Standards and training are updated in a timely manner.

3.5 Reporting, referral and questions

Morgan Sindall divisional management will report promptly to Morgan Sindall Group any infringement of Competition Law, or reasonable suspicion of an infringement.

Employees having a concern about a Competition Law matter should raise the issue with their line manager, Head of Internal Audit, Head of Legal Services or Morgan Sindall Group General Counsel.

If employees continue to have concerns and / or feel that they are unable to raise an issue in this way they should raise the matter using the Group's Raising Concerns helpline. The helpline is available 24 hours a day, 7 days a week. The freephone number is 0800 915 1571 and all calls are taken by Safecall, an independent organisation with impartial staff trained to handle these types of calls. Alternatively submit a report online at www.safecall.co.uk/report