

# FAIR COMPETITION POLICY

The Robert Walters Group wishes to restate its commitment to comply with Competition Law (also known as Anti-Trust) in all countries where it has its offices.

There are common themes in Competition Laws across the world but essentially they are there to prevent behaviours and agreements which restrict and/or prevent competition. For example, competitors dividing up markets between each other (i.e. an anti-competitive agreement) or abusing a “dominant market position” e.g. excessively low pricing to keep out new entrants to the market.

This policy is high level guidance only and any questions should be referred to me directly.

You should cascade this down to your MDs and directors and ask them to in turn pass this down to managers and consultants. One of the possible defences to a claim of infringement of Competition Laws is have a compliance policy in place so it is important for you to do this.

Why compliance is so important?

The penalties for breaching Competition Law have an extremely high financial cost. In the UK fines can reach 10% of worldwide NFI for infringing recruitment companies. Based on 2012 turnover this would be a maximum fine for RW of almost £19m if it infringed. Some jurisdictions may base fines on worldwide turnover, so for a recruitment company which payrolls temporary workers, the maximum fine could be disproportionately large compared to NFI or profit.

In addition, there are potential criminal sanctions in many countries for individuals for certain breaches where dishonesty is involved and potential civil claims from clients and competitors who have been adversely affected by the anti-competitive activities. Agreements which are anti-competitive can also be held to be invalid and unenforceable. There is also the damage to reputation. Finally, even an investigation by the authorities is expensive in terms of external legal costs and the considerable management time involved.

Is the sector scrutinised?

Although software companies such as Microsoft and Apple may make the global headlines, Hays and others have been prosecuted in the UK in 2009 for price fixing being involved in organising a collective boycott of a local competitor in Birmingham. Hays were fined £30m (reduced to £5.8m on appeal). In July 2013 Adecco, Manpower and Randstad had their offices raided by the French Competition Authorities who are now investigating them reportedly for unlawful exchanges of information.

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## Some Practical Tips

- Industry Groups - Think very carefully about joining industry groups and what benefit they bring. Agreements (even tentative or informal) in these forums can be anti-competitive and this is often a way that companies fall foul of the law. In the Hays case they did not actually go through with the boycott but merely agreed to do it at a meeting and later changed their mind. They were still severely fined.
- Communications - Assume all correspondence (including email and voicemails) would be available to the authorities during an investigation (including in some cases communications with in-house legal or marked as confidential). A poor choice of words could be very damaging. For example "...this will enable us to dominate the market".
- Anti-competitive Agreements – Do not engage in any arrangements with competitors which could be seen as fixing prices, taking a collective position on legal terms or excluding a particular supplier from PSLs (relevant for RPOs). This is not an exhaustive list, but gives some examples of activities which may be prohibited.
- Verbal Agreements – Anti-competitive agreements do not necessarily need to be in writing – it is widely accepted that it can simply be a common understanding made over a series of meetings. Think about the collective effect.

## Getting Advice

Please do contact the legal department ([legalcounsel@robertwalters.com](mailto:legalcounsel@robertwalters.com)) if you have any concerns relating to Competition Law. In particular you should seek specific guidance before:

- Working on a joint bid with a competitor
- Joining an industry group or association
- Attending a meeting with the representative of a competitor company
- Sharing any information with a competitor even under a non-disclosure agreement (NDA)



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Richard Harris  
*Chief Legal Officer*



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Giles Daubeney  
*Chief Operating Officer*

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