THE FIDI ANTI-TRUST CHARTER

V.1

OCTOBER 2017

FIDI

Leading the Fight Against Cartels

FIDI supports the adoption of Anti-Trust compliance programs by its Affiliates. In this connection, FIDI is determined to support the fight against cartels, which restrict competition among suppliers to the detriment of customers.

Background

Membership in FIDI is highly valued by its Affiliates, and to ensure that value continues, all FIDI Affiliates pledge to abide by the highest ethical standards and to free and fair competition.

The Anti-Trust Charter is a declaration of commitment. It will strengthen the FIDI organisation, the FAIM programme, and all Affiliates by making it clear what distinguishes FIDI Affiliates from non-FIDI companies.

All FIDI Affiliates agree to sign and be guided by the provisions of the Anti-Trust Charter. The Anti-Trust Charter covers their employees (whether permanent, fixed-term or temporary) and any associated third parties providing services to or on behalf of the FIDI Affiliates.

The Anti-Trust Charter will be integrated into FAIM. The procedural and audit requirements will form part of the FAIM Implementation Manual and the Pre-Audit assessment.

What Is a Cartel?

A cartel is an agreement, concerted practice or conspiracy among competitors to fix prices, submit collusive tenders, divide or share markets and, more generally, restrict competition.

A cartel is regarded as the most egregious violation of Anti-Trust laws in most jurisdictions, which may lead to the imposition of significant fines as well as, in certain jurisdictions, criminal penalties.

FIDI Will Not Tolerate Cartel Conduct

FIDI respects the Anti-Trust laws and regulations in the countries in which it operates and requires that its Affiliates do the same. Involvement in a cartel is unacceptable. It is against FIDI's core values of competing freely and fairly, based on the added value of its products and services.

The laws and regulations that sanction cartel conduct are in place in most jurisdictions. These laws and regulations are designed to promote free and fair competition and to protect consumers. Anti-Trust compliance programs are e to detect and prevent cartels.

Charter Statement

Undertaking by all FIDI Affiliates with immediate effect

All FIDI Affiliates commit to legal and ethical behaviour, and to refrain from engaging in any business that will harm the interests of FIDI, other affiliates, clients, or the industry. FIDI and its Affiliates will take steps to ensure they are fully informed of applicable Anti-Trust laws and regulations in connection with cartel conduct and other Anti-Trust violations, and will monitor their employees and business partners to ensure full and continual compliance.

Legal compliance

FIDI Affiliates will ensure that they are aware of all applicable laws and regulations covering anticompetitive practices in all the jurisdictions in which they operate, and that they will obey and uphold those laws and regulations.

FIDI affiliated companies will ensure that they are aware of, and are complying with, applicable laws and regulations in connection with cartels.

Ethical behaviour

As a demonstration of its commitment, FIDI and its Affiliates pledge to take a zero-tolerance approach to cartel conduct. At all times, FIDI and its Affiliates will act professionally, fairly and with the utmost integrity in all business dealings and relationships. This will apply wherever they operate.

Commitment to the values of FIDI

This Charter will be formally integrated into the FAIM quality standard.

Code of Conduct

By agreeing and committing to this Charter, each FIDI Affiliate undertakes to:

1. Never make direct or indirect (via third parties including agents, suppliers or customers) contact with an actual or potential competitor or other third party, the object of which is to engage in cartel behaviour.

2. Never propose or reach an agreement, whether directly or indirectly, formally or informally, with actual or potential competitors, regarding any sensitive competition-related issues, including:

    - Fixing prices
    - Dividing or sharing markets, customers or territories
    - Rigging a competitive bidding process

3. Report any indication or initiative of improper anticompetitive business conduct by an actual or potential competitor in accordance to your internal reporting procedure, including but not limited to, reporting to your legal department and/or to the relevant Anti-Trust authorities.

4. Not to participate in a meeting of a trade association in which sensitive competition-related issues are discussed. If such subjects are raised during a meeting, employees of FIDI Affiliates must immediately ask for the discussion to end. If not, they must leave the meeting and ask for that to be noted in the minutes of the meeting.

5. Ensure that all internal and external correspondence, including e-mails and texts, and documents, discussions and public statements do not contain any statements that might be misinterpreted by third parties or Anti-Trust authorities and courts in the context of a potential Anti-Trust investigation.

6. Maintain independent judgment in pricing or selling of any products and/or services.

7. Limit any information discussed during commercial negotiations, with or disclosed to competitors or other third parties, to that which is strictly necessary for completing or assessing the transaction.

Agreement

I confirm that I have read and understood the FIDI Anti-Trust Charter. I accept and agree to abide by this Charter and the Code of Conduct, which is included in the FAIM Implementation Manual and is available on the FIDI website.

I understand and accept that participating in a cartel, as described in this Charter, in a final decision of a competent authority, is considered as non-compliance with this Anti-Trust Charter.

I understand and accept that non-compliance with this Charter signifies non-compliance with FAIM pre-requirements, which will result in expulsion from the FIDI organization.

Date:	08 / 08 / 2019
Individual:	Ricky Chng
Title:	President
For and on behalf of (Affiliate company)	VANPAC INTERNATIONAL PTE LTD

SUPPLY CHAIN: ANTI TRUST MANAGEMENT
VANPAC GROUPASIA – SINGAPORE

1. INTRODUCTION

Vanpac Singapore Pte Ltd are fully committed to conduct all of our business in an honest and ethical manner.

In compliance with FIDI FAIM requirements, we are committed to comply with the FIDI Anti-Trust Charter that fights against Cartels and unfair practices. We comply fully with The Singapore Competition Act 2004 / Chapter 50B, and work closely with other Anti-Trust laws in the countries where we do business. As an affiliate of FIDI, we never seek a competitive advantage through unethical, illegal or unfair practices. We are determined to support the fight against cartels, which restrict competition among suppliers to the detriment of customers.

This policy applies to individual employees, agents, suppliers, consultants or any other people or bodies associated with Vanpac Singapore Pte Ltd, or any of its subsidiaries and employees.

2. ANTI TRUST MANAGEMENT PROCESS

Vanpac believes there is a 4 step process in dealing with Anti Trust practice. They are:

2.1. Avoidance through Risk Recognising

The first step is to recognise the risk and the current regulatory guidelines on Anti Trust regulation.
This can be done through the framework set by CCCS (Competition & Consumer Commisson of Singapore).

The three prohibitions of Chapter 50B:

1. Anti-competitive agreements, decisions and practices ("the section 34 prohibition");

Anti-competitive agreements are agreements among competitors to prevent, restrict or distort competition. Section 34 of the Competition Act prohibits agreements, decisions and practices that are anti-competitive.
A particularly serious type of anti-competitive agreement would be those made by cartels. Cartel agreements are usually to fix prices, to rig competitive tendering process, to divide up markets or to limit production. As a result, the cartelists have little or no incentive to lower prices or provide better quality goods or services. Based on economic studies, cartels overcharge by 30 per cent on average. There are four main types of cartel agreements:

- Price Fixing
  Price fixing involves competitors agreeing to fix, control or maintain the prices of goods or services. It can be ‘direct’ fixing of prices, where there is an agreement to increase or maintain actual prices. Price fixing activities can also take the form of ‘indirect’ fixing of prices, for example, where competitors agree to offer the same

discounts or credit terms. Price fixing agreements do not have to be in writing, a verbal understanding at, for instance a trade association meeting or at a social event, may be sufficient to show that there was a price fixing agreement. It does not matter how the agreement was reached or whether it has been carried out. What matters is that the competitors have agreed to collude.

- Bid Rigging
  Bid rigging occurs when competitors agree on who should win a tender. To support the cartel member that has been designated to 'win' the tender bid, other cartel members may refrain from bidding, withdraw their bid, or submit bids with higher prices or unacceptable terms. The cartel members may agree amongst themselves to take turns to be the designated 'winner' or to reward 'supporters' of the winning bid, for example, by giving sub-contracts to them. As a result of bid rigging, the party inviting the tender is likely to pay more than it would if the tender was competitive.

- Market Sharing
  In a market sharing agreement competitors divide up markets in various ways, such as geographical area or size or type of customer (e.g. business/non-business) and agree to sell only to their allotted segment of the market. As a result they do not compete for each other's allotted market. Customers are affected as they would not be able to shop around for the best deals.

- Production Control
  Production control involves an agreement between competitors to limit the quantity of goods or services available in the market. By controlling the supply or production of goods or services, the cartel is able to, indirectly, increase prices to maximise their profits.
  - <u>2. Abuse of a dominant position ("the section 47 prohibition"); and</u>
  - Being a dominant player in a market is by itself not anti-competitive. A dominant position achieved or maintained through conduct arising from efficiencies, such as through successful innovation or economies of scale, will not be regarded as an abuse of dominance. However, when a dominant company in the market seeks to protect, enhance or perpetuate its dominant position in ways unrelated to competitive merit, it unduly restricts competition, and hurts consumers and businesses. Such conduct may constitute an abuse of dominance, and infringe Section 47 of the Competition Act.

    <u>3. Mergers and acquisitions that substantially lessen competition ("the section 54 prohibition").</u>
  - Not all mergers give rise to competition issues. Many mergers are either pro-competitive (because they positively enhance levels of rivalry), or are competitively neutral. In order to determine whether a merger is anti-competitive, CCCS will assess whether the merger leads to a substantial lessening of competition, e.g. resulting in an increase in prices above the prevailing level, lower quality, and/or less choices of products and services for consumers. If so, such a merger will infringe Section 54 of the Competition Act.

What Is a Cartel?

- A cartel is an agreement, concerted practice or conspiracy among competitors to fix prices, submit collusive tenders, divide or share markets and, more generally, restrict competition.
- A cartel is regarded as the most egregious violation of Anti-Trust laws in most jurisdictions, which may lead to the imposition of significant fines as well as, in certain jurisdictions, criminal penalties

2.2. Mitigation of Risk through Reducing Probability and Impact

Vanpac International's management is committed from a top-down and transparent approach, all bids and dealings can be openly viewed by the preparer of the quotation/bid and the senior management. Any out-of-the ordinary sightings, example extreme high profit margins, or extreme high closing ratio can be flagged up for scrutiny. This would mitigate such practices in the organization. Any extreme large bids would have to be brought to Management;s attention

2.3. Policing through Transparent Due Dilligence from top-level and organization-wide level

- Never make direct or indirect (via third parties including agents, suppliers or customers) contact with an actual or potential competitor or other third party, where the object is to engage in cartel behaviors or practices.
- Never propose or reach an agreement, whether directly or indirectly, formally or informally, with actual or potential competitors, regarding any sensitive competition-related issues, including:
    - Fixing prices
    - Dividing or sharing markets, customers or territories
    - Rigging a competitive bidding process

Code of Conduct

To achieve our commitment and to provide unmatched relocation service to our clients, we expect compliance of the following code of conduct from all our employees, clients, associates, business partners and suppliers:

2.4. Review annually and up-to-date

2.4.1. Policy should be review and updated annually
2.4.2. Report any indication or initiative of improper anticompetitive business conduct by an actual or potential competitor in accordance to your internal reporting procedure, including but not limited to, reporting to your legal department and/or to the relevant Anti-Trust authorities.
2.4.3. Not to participate in a meeting of a trade association in which sensitive competition-related issues are discussed. If such subjects are raised during a meeting, employees of FIDI Affiliates

must immediately ask for the discussion to end. If not, they must leave the meeting and ask for that to be noted in the minutes of the meeting.

3. Governance

3.1. Ensure that all internal and external correspondence, including e-mails and texts, and documents, discussions and public statements do not contain any statements that might be misinterpreted by third parties or Anti-Trust authorities and courts in the context of a potential Anti-Trust investigation.

3.2. Maintain independent judgment in pricing or selling of any products and/or services.

3.3. Limit any information discussed during commercial negotiations, with or disclosed to competitors or other third parties, to that which is strictly necessary for completing or assessing the transaction.

3.4. This should be also maintained in our Supply Chain, and this will be communicated through our email and website links to our values on ATC as a member of the FIDI.