

FAAS Competition & Antitrust Policy and Membership guidelines

1. Forum on Automotive Aftermarket Sustainability (FAAS) position

The FAAS member companies' business is directly related to the automotive aftermarket sector, including production of parts, distribution, installation, and services connected to the sector. FAAS members are international associations, automotive suppliers, spare parts distributors, active stakeholders that are for-profit entities having a demonstrated interest and activity in the automotive aftermarket, as well as universities, research centres and national associations connected to the industry.

The primary purpose of FAAS is to advance sustainability within the automotive aftermarket. This objective is carried out by the following means:

- Stakeholder engagement and unity: FAAS brings together all relevant players in the aftermarket sector, fosters collaboration and drives sustainable practices by leveraging the collective influence of its members.
- Supply chain transformation: FAAS promotes sustainable and circular solutions throughout the automotive value chain and FAAS strives for common standards to enable and improve comparability. Furthermore, FAAS drives activities to reduce the environmental impact of the aftermarket, with a view to carbon emissions, material consumption, efficient logistics and customer service.
- Knowledge empowerment: FAAS members share their collective expertise to bridge knowledge gaps and empower companies with insights and best practices to actively drive sustainability efforts.

FAAS is determined to carry out this role and its related activities diligently and with the utmost integrity, solely through legitimate means, and to maintain policies and procedures which will ensure against any violation of the applicable laws.

FAAS will ensure in particular that its activities do not violate the relevant antitrust laws. This Competition & Antitrust Policy (the "Policy") and Membership guidelines encompass the corresponding principles and procedures which shall govern FAAS' role and all of its activities.

2. Reminder of relevant antitrust rules

The most relevant antitrust statute for the Association's activities is Article 101 of the Treaty on the Functioning of the European Union ("TFEU") which prohibits:

- agreements between undertakings
- decisions by associations of undertakings and
- concerted practices¹,

¹ This refers to anti-competitive conduct that is not based on an agreement but on communication between competitors which is aimed at influencing the participants' market behaviour (such as informing competitors about a planned price increase).

which have as their object or effect the prevention, restriction, or distortion of competition.

This includes in particular agreements and concerted practices between competitors on prices, price elements or terms and conditions, on the allocation of customers or markets, on production quantities or capacities or on the use of certain technologies.

The exchange of commercially sensitive information between competitors typically constitutes a concerted practice within the meaning of Article 101 TFEU. Competitors thus must not disclose to each other information on their current or future market behaviour, including information on their prices or planned price increases, their contractual terms and conditions, their costs and margins, their production or sales of specific products, their capacity utilisation, their investment plans and their R&D projects. Also specific sustainability data (e.g. investments to make products more sustainable, sustainability performance data, data on compliance with sustainability requirements/benchmarks/targets) are commercially sensitive.

Certain agreements between suppliers and customers, such as agreements on resale prices, territorial limitations, customer restrictions and exclusive supply or purchase commitments, are also prohibited and/or allowed only under certain conditions.

The antitrust laws in most countries which may have jurisdiction over FAAS and its members differ only in details from the EU competition rules.

FAAS must therefore ensure compliance with competition law in particular in the following areas:

- ❖ Conduct meetings
- ❖ Informal contacts between members
- ❖ Collection and sharing of confidential information of members
- ❖ Decisions or recommendations of FAAS
- ❖ Handling of membership applications

3. Principles of compliance

3.1 General Rule

FAAS has a zero tolerance approach toward and will not condone, support, or facilitate in any way activities that violate relevant antitrust laws.

In support of this Policy, the FAAS Secretariat shall take appropriate measures to ensure that all programmes and activities of FAAS do not generate any antitrust violations and that, where necessary, any such programmes or activities shall be referred to the Legal Advisory Group of CLEPA (European Association of Automotive Suppliers, founding member of FAAS with permanent representation in the FAAS Board of Directors) and/or FIGIEFA (European Association of Automotive Aftermarket Parts Distributors, founding member of FAAS with permanent representation in the FAAS Board of Directors) and/or FAAS's external legal advisers for review. This approach shall also apply to the establishment, terms of reference and activities of FAAS' Working Groups and Committees.

3.2 Anti-competitive agreements

Agreements concerning the following issues constitute serious violations of competition law and expose the parties to the risk of very significant fines:

- Price fixing (including fixing of price components, services etc.);
- Allocation of product markets and/or geographic markets;
- Allocation of customers;
- Bid rigging;
- Restriction of production, capacity or sales;
- Collective boycott.

Other types of arrangements with competitors can also competition law risk and require prior legal review by legal counsel: This includes, for instance,

- Agreements on the use (or the timing of the introduction) of certain technologies; and
- Joint selling agreements, joint purchasing agreements or joint research and development agreements.

3.3 Exchange of competitively sensitive information

The programmes and activities of FAAS may involve the collection and analysis of competitively sensitive information from its members. FAAS will do so only where there are legitimate objective reasons for such data collection, for example, to analyse industry trends, or to inform activities, or workstreams, or priorities of FAAS.

Any collection and dissemination of competitively sensitive information of members shall be undertaken in a manner that prevents the disclosure of such information to other members, which could give rise to an agreement or concerted practice between competitors which infringes antitrust laws. This applies in particular to information on:

- sales prices, rebates, pricing strategies and other market relevant sales conditions;
- purchases prices and other relevant purchasing conditions;
- costs and margins for specific products and services;
- sales and production of specific products and services;
- sales strategies and supplier selection;
- capacity, capacity utilisation, investments and confidential R&D projects.

FAAS will ensure that:

- a) The collection and analysis of such information will be undertaken by FAAS Secretariat members and not its members.
- b) FAAS Secretariat members will ensure that all competitively sensitive information collected by them is protected against access by members or third parties through appropriate confidentiality arrangements and IT safeguards.

- c) Before its disclosure to other members, all competitively sensitive information is aggregated and anonymised in a manner that does not allow to identify or guess the data or position of individual members.
- d) Aggregated and anonymised competitively sensitive information is disclosed only if it is derived from data of at least five member companies.
- e) Aggregated and anonymized competitively sensitive information will not be discussed or commented among FAAS members in a way that would disclose or allow to guess the data or position of individual members.

3.4 Permitted discussion topics

Topics that can be discussed at meetings of FAAS include:

- Projects and members' activities if performed within the frame of FAAS workstreams
- Activities performed by member associations when part carried out as part of FAAS working packages
- General political, technical or market developments
 - o the political environment;
 - o general technical/scientific developments;
 - o economic developments and general developments in the industry;
- Information that is in the public domain (information published on members' websites, statistics published by government agencies etc.).

3.5 Recommendations

FAAS shall not make any recommendations regarding market-related conduct of its members that can be an element of competition. In particular, FAAS will not make recommendations on pricing or other commercial terms of agreements between members and their business partners. By contrast, FAAS can recommend for instance that members establish and/or support certain (compliant) industry initiatives.

Recommendations of FAAS shall not be binding on individual members.

4. Compliance procedures

4.1 Membership

Membership in FAAS is based on objective, transparent and non-discriminatory criteria set out in the statutes of the Association.

The Board of Directors of FAAS is required to accept or refuse a membership application. The assessment should be performed based on the following criteria:

- Presence in Europe;
- Role of the applicant in the aftermarket value chain;
- Connection of the organisation with the membership basis and alignment with values of FAAS;

- Possible contribution of the applicant to the workstreams of the FAAS.

Companies and organisations already part of FAAS failing to fulfil the eligibility requirements for membership may be expelled by the Association in alignment with the procedure substantiated in the Statutes. Eligibility criteria are provided in the FAAS Statutes and include, among others, the commitment to actively contribute to the work of at least one Working Group. In case a member of FAAS fails to attend three consecutive meetings of at least one of the Working Groups without having notified the permanent Secretariat, the procedure for termination of membership may be initiated.

Companies members of FAAS are required to comply with this document at all times when participating in Association activities or representing the Association.

Members that commit a serious violation of competition law in connection with their activities in FAAS and members that repeatedly violate this Policy (e.g., by not respecting certain procedures) can be excluded from the association.

4.2 Working Groups and Committees

The following procedures shall apply to the activities of FAAS' Working Groups and Committees.

- FAAS Secretariat members shall ensure that all Working Groups or Committees that undertake any activity or programme on behalf of FAAS (which may or may not include FAAS member representatives) are **established** in accordance with this Policy and that their terms of reference comply with this Policy.
- Each FAAS member will ensure that only employees who have received appropriate competition law training and are familiar with this Policy participate in the activities of Working Groups or Committees of FAAS.
- All Working Groups or Committees of FAAS shall have a duly appointed **Chair**, who is responsible for ensuring that the activities of the Working Group/Committee, including in particular the convening and conduct of any meetings, comply with this Policy. Where appropriate the Chair may be assisted by a FAAS Secretariat member appointed to oversee the activities of that Working Group or Committee.
- The Chair of any Working Group or Committee and the appointed FAAS Secretariat member shall be entitled to **stop** any activity including any meetings that are not fully compliant with this Policy and shall report immediately any suspected compliance issues to the CLEPA/FIGIEFA Legal Manager.
- If a member of a Working Group or Committee voices concerns that a discussion or activity of the Working Group/Committee may violate competition law, the Chair must stop the discussion or activity immediately and consult the FAAS Secretariat, unless the concerns are clearly unfounded.
- All meetings or discussions or debates whether to be conducted in person or by telephone or video conference or other media ('meeting') shall have a detailed **written agenda**, which shall be approved in advance by the Chair of the meeting (and, if applicable, the appointed FAAS Secretariat member). The agenda shall set out in reasonable detail the purpose of the meeting and all matters to be discussed and shall be made available to all participants before the meeting;

- A **reminder of the FAAS Competition and AntiTrust Compliance Policy** and the need for complete adherence to it by all participants shall be the first agenda item at every meeting and wherever practical a summary of key DOs and DON'Ts shall be available for reference at every meeting;
- All meetings shall be documented in writing accurately and completely and the minutes of the meetings shall be approved by the Chair; The minutes of all meetings shall be provided to the relevant appointed FAAS Secretariat member;
- It shall be a condition of acting as Chair of any FAAS Working Group or Committee or of chairing a meeting of a Working Group of Committee that the chairperson has confirmed in writing that he/she (i) has received a copy of the Policy and will ensure the meetings of the Working Group of Committee are conducted in compliance with the Policy, and (ii) has received approved training in relation to the Policy or other appropriate competition law training.

5. Communication and training

5.1 Communication

This Policy shall be circulated to all FAAS Secretariat members and made available to all FAAS members via the FAAS website and/or other appropriate media.

As part of their onboarding process, all FAAS Secretariat members shall be required to confirm in writing that they have read and accepted this Policy and shall comply fully with it.

Copies of the Policy shall be placed in visibly prominent positions in all FAAS offices and meeting rooms.

Copies of the Policy shall be provided to all participants in FAAS activities or programmes including all participants in any Working Groups or Committees.

5.2 Training

All FAAS Secretariat and all chairpersons of any Working Group or Committee shall be required to undergo training in relation to the Policy.

FAAS shall offer such training both as part of the onboarding process as well as in the form of regular refresher trainings.

Training shall be in a standardised form provided by FAAS' external legal adviser or the CLEPA/FIGIEFA Legal Manager and may consist of face-to-face training, webinars, or e-learning via the FAAS website.

A register of participation in such trainings shall be compiled and maintained to ensure that all FAAS Secretariat members and all chairpersons of Working Groups or Committees are fully familiar with and have been trained in relation to this Policy.

6. Advice and reporting

CLEPA/FIGIEFA Legal Manager is available for advice and guidance on all questions regarding this Policy and its applications in practice.

All FAAS Secretariat and all participants in the activities of FAAS are encouraged to consult the CLEPA/FIGIEFA Legal Manager if they have any questions or concerns regarding the compliance of certain initiatives, activities or procedures with the Policy.

The Legal Managers will inform the CLEPA/FIGIEFA Legal Advisory Groups once per year on the questions received and issues identified regarding compliance with this Policy.

FAAS Secretariat members and other participants in FAAS activities wishing to ask questions, raise concerns or report certain conduct on a confidential basis can do so with CLEPA/FIGIEFA Legal Manager or with FAAS' external competition law adviser. They will keep the identity of the individual, and all information that would disclose the identity of the individual strictly confidential.

Unless agreed otherwise with the individual, they must not share this information with any person inside or outside FAAS. However, the CLEPA/FIGIEFA Legal Manager can share the information with FAAS' external competition law adviser.

7. Common responsibility

FAAS shall take all appropriate measures to ensure its activities and programmes are in compliance with this Policy.

Notwithstanding the foregoing it is the responsibility of each FAAS member to ensure that it and its representatives when involved in the activities of FAAS:

- shall not undertake any activity which is an infringement of applicable competition law or antitrust rules, including entering into any prohibited agreements or exchanges of market-sensitive information with competitors;
- shall fully comply with the Policy and avoid any activity which is non-compliant e.g. attending informal meetings with competitors without an approved detailed agenda;
- shall support the relevant appointed FAAS Secretariat member and Working Group and Committee Chairs in ensuring the Policy is complied with in full;
- shall be vigilant and object against any conduct or behaviour which is an actual or potential infringement of the Policy.

The composition of the FAAS Secretariat can be found here: <https://www.faasforum.eu/contact/>