Competition Law Policy

1. STATEMENT OF POLICY

It is Signature Aviation policy that all Signature Aviation companies and their employees strictly comply with the competition, anti-trust and anti-monopoly laws of all countries in which they conduct Signature Aviation business. Directors, managers and others with supervisory responsibility have a duty to ensure that employees under their supervision are aware of and comply with this policy. Any proposed deviation from this Policy must be approved, in advance, by Signature's Group Chief Executive with the advice of counsel. Violation of this policy may subject the individual to disciplinary action, including dismissal as well as personal (including criminal) liability under the relevant laws. Note that more stringent rules apply to Signature Aviation companies that enter into certain types of contract with the US Government and that have a United States Government Contracts Compliance Policy. See Section 13 of the Code of Business Ethics and Section 10 of the United States Government Contracts Compliance Policy.

2. CONSEQUENCES OF VIOLATIONS

Severe civil, and in some cases criminal, penalties may be imposed on Signature Aviation and the responsible employee if you authorise or participate in a violation of competition laws. Material breaches of EU competition law, for example, may result in fines of up to 10% of the annual sales of the whole of Signature Group world-wide. Under U.S. law corporations can suffer fines of up to 20% of the commerce affected by the violation. In some jurisdictions, including the UK & the US, individuals who are guilty of engaging in certain types of anticompetitive activity can face imprisonment and / or fines. In addition, agreements which violate competition laws are automatically null and void and therefore unenforceable, meaning income streams that the business relies on may be lost.

Competition law infringement may also give rise to private damages actions for the injury caused, including the trebling of actual damages in certain jurisdictions. Defending lawsuits and investigations is expensive, time consuming and can cause significant damage to Signature's reputation, even when the defence is successful. Being involved in any investigation by the competition authorities can be an unpleasant and intimidating process and will inevitably distract you and your team from your business affairs. It is therefore important for you to understand and strictly follow this policy so that Signature - and you - may avoid any semblance of violation of competition rules.

3. THE IMPORTANCE OF LEGAL ADVICE

EU, US and national competition laws may govern Signature's conduct or transactions. Each may need to be considered before engaging in any conduct or transaction that is covered by this policy. These laws are broad and complex, and cover many activities across Signature's businesses and markets. Accordingly, this policy does not attempt to describe each and every requirement of the law in detail. Nor is the policy designed to turn you into a legal expert in the areas covered. The intention of the policy is to familiarize you with the key principles of competition law that may apply to your business activities and to help you identify any possible problems or issues so that you can seek specialist advice.

If you have any doubts or concerns, it is your duty to seek the advice of the Signature Legal Department ("Signature Legal"). No employee is authorised to take any action that they have been advised might violate competition laws.

4. COMPETITION GUIDELINES – BASIC PROHIBITIONS

One of the fundamental principles of competition law is that markets function best when individual competitors make business decisions independently of each other. For that reason, competition laws prohibit companies from entering into agreements or concerted practices that distort competition or are intended to distort competition (even if ultimately they do not have that effect). Both agreements with competitors and those with customers / suppliers are capable of distorting competition and in those circumstances would be prohibited.

The prohibition covers agreements between two or more businesses. Intra group agreements between wholly-owned Signature group companies are not caught by the

competition rules. Joint ventures and other agreements between actual or potential competitors to conduct business jointly may be permissible in certain circumstances, but must be reviewed by Signature Legal before they are discussed with competitors and must be subject to appropriate written agreements and guidelines approved by Signature Legal.

What is an "agreement"?

Competition laws take a very broad view of what constitutes an "agreement". Agreements are not limited to formal written contracts; oral agreements, "gentlemen's" agreements, "handshake" agreements, and "implicit" or "tacit" understandings and concerted practices are all capable of satisfying this requirement. In essence, where a meeting of minds can be shown to have been reached between individuals or companies, then an agreement will be deemed to have been formed.

Furthermore, proof of the existence of an "agreement" may be based on circumstantial evidence alone, such as evidence of motives or opportunities the parties had to reach an understanding followed by evidence of a similar course of conduct. It is therefore important to document that you have not acted on a potentially anti-competitive suggestion by responding to such suggestions clearly stating that you are not interested in progressing discussions or entering into such an arrangement. Such responses should be checked with Signature Legal beforehand in the event of any concern and should be kept on file by you and copied to Signature Legal.

4.1. RELATIONS WITH COMPETITORS

1. Conduct Prohibited

Collusion or any understanding, plan, arrangement, or agreement (whether or not in writing) with Signature's competitors involving the following subjects is absolutely prohibited by this Policy.

(i) Price and Other Terms of Sale.

You may not have any discussions, communications, understanding, plan, arrangement, or agreement (express or implied) with any representative of a competitor concerning prices, pricing methods and policies, price changes, bids or bidding on a particular contract, allowances, discounts, promotions, rebates, royalties, terms or conditions of sale, costs, profits, deliveries, distribution/transportation, or any other matter relating to or affecting prices or any element of price. You should not discuss any elements of Signature's likely future commercial strategy with a competitor.

- If you have authority to negotiate or fix your company's selling price or other terms and conditions of sale, you should normally avoid any discussions in respect of such issues with a competitor.
- You must also not discuss with competitors any issues of general changes to Signature prices nor discuss with competitors changes which they propose to their prices. This includes the fact that any increase or decrease in prices is contemplated, or the likely timing of any such increase/decrease.

Even innocent discussions or communications with competitors about any of the above topics are dangerous, even though you may not specifically intend to have an agreement. You should seek the advice of Signature Legal if you have any concerns in this regard. Remember that competition law still applies if you meet with competitors in an informal or social setting.

Signature will always ***independently*** and ***unilaterally*** determine the prices and terms of sale for its own products and services, in light of Signature's own perception of its costs and the market conditions. You may consider competitors' prices in determining Signature's prices but you must obtain competitors' prices only from published price lists or other sources - NOT from the competitor himself. You must document the source of all competitive price information that you obtain. (see 2(i) and (ii) below)

(ii) Information Exchange.

You also must be vigilant at all times not to engage in any discussions or communications with competitors that involve the exchange of competitively sensitive information, such as current and future pricing (including discounts); margins; future product plans; marketing strategies; terms and conditions of sale (including credit); market share data; production and capacity data; bids or intentions to bid; sales territories; customers; distribution practices; procurement of supplies; or any other matter affecting competition. Virtually any communication with competitors that involves the exchange of competitively sensitive information can be used as evidence of an unlawful agreement. Even the unilateral disclosure of information to a competitor may be used as evidence of a wider arrangement to behave in a certain way.

If a competitor ever proposes an improper discussion or agreement, or unilaterally discloses competitively-sensitive information to you, you must report it to Signature Legal immediately.

(iii) Customer Allocation; Division of Markets; Limits on Production.

You may not have any discussion, communication, understanding, plan, arrangement or agreement with any competitor to (a) allocate customers among yourselves or other competitors, (b) divide sales between you, (c) restrict or allocate exports or imports, or (d) control or limit production, quality or research.

(iv) Joint Refusals to Deal (Boycotts).

You may not have any discussion, communication, understanding, plan, arrangement or agreement with any competitor to limit business or to refrain from doing business with a particular customer or supplier.

(v) Bid-rigging

This is also prohibited. Bid-rigging occurs when competitors coordinate their responses to an invitation to tender without prior notice to the tendering party. This may involve an agreement on the terms of the response or an agreement not to respond (e.g., agreeing with a competitor that only one of you will respond).

In some cases, however, even providing notice to the tendering party may not be sufficient to avoid liability, if the coordinated bid would have a significant negative effect on competition.

2. Further Conduct Issues to Consider

(i) Competitive Intelligence

It is permissible to obtain information about a competitor's business activities from normal market sources such as customers, suppliers and the trade press, and to use this information to formulate Signature's market policies. However, you should not contact a competitor for this information or to verify information received from another source. Nor should you use a customer or supplier as a vehicle to exchange competitively sensitive information with a competitor.

If you do receive a competitor's price list or other competitive price information from a third party, you should note the source of the information and the date it was obtained on the face of the material. This is necessary in order to protect against any possible misinterpretation at a later date, for example, if you are required to produce the document to a competition enforcement agency or a plaintiff in civil proceedings.

(ii) Competitors who are also Customers/Suppliers

If a competitor also purchases products from Signature it must, of course, be made aware of Signature's prices. Similarly, it is appropriate for Signature to receive price information where it is also a customer of a competitor.

In all such cases, however, any discussions with the competitor should relate only to what is strictly necessary to that specific buy/sell arrangement. You should not discuss or exchange information about any other competitively sensitive topic.

Moreover, to avoid any questions about the legitimacy of the circumstances in which it was received, the source and date of any information obtained from a competitor in the context of a buy/sell arrangement should be noted on the document.

(iii) Trade Associations.

While trade associations perform many legitimate functions (e.g. industry promotion, government relations), they also create risks because they involve contacts with competitors. Since competition law infringements often arise in connection with otherwise lawful participation in trade association activities, competition law authorities carefully scrutinise these organisations. You should remain alert to any potential abuse by any trade association of otherwise legitimate objectives.

You need to bear in mind the following points:

- Trade associations do not legitimise anti-competitive behaviour.
- A statement of an intention to comply with competition law is not enough to ensure that the proceedings will actually be compliant.
- Make sure that there is a formal agenda for meetings and that proper minutes are taken. Ideally, agendas for meetings should be available for review in advance. If you are concerned about any item on the agenda, raise this with Signature Legal. It is common for a lawyer for the trade association or one or more of the competitors to attend the meeting to ensure that the discussion does not veer into prohibited areas. This is to be encouraged.
- If matters are raised which could cause problems under competition law, you should object to those discussions and ask for your objection to be noted. If the discussion continues, you should leave the meeting and ask your reason for leaving to be noted in the minutes. You should also keep your own note and inform your immediate manager or Signature Legal.
- Minutes of the meeting should be reviewed to ensure that they are accurate.
- You should also not discuss competitively sensitive subjects during informal contacts (golf, dinner, trade show, etc.) with competitors.

<u>Discussion with competitors at trade associations/fairs etc</u>

In the context of trade associations and also trade fairs or supplier conventions, you will find yourself talking to competitors, whether in dealing with the formal business of a meeting, or more informally about the industry generally.

Set out below for guidance are some examples of projects or topics for discussion which are and are not acceptable under competition laws. These cannot be exhaustive so please seek guidance from Signature Legal if you have any queries or concerns:

Unacceptable topics:

- Which distributors or suppliers to use or not to use;
- The price or terms on which products should be supplied or the customers or key contracts for which Signature is or is not bidding;
- Costs, margins or other factors affecting profits;
- Expected customer orders or requirements;

- Non-public information about new products or strategic plans
- Codes of conduct or best working practices that would lead to harmonisation of pricing, costs or standard terms to be applied to customers, or where members are prevented from exceeding the agreed standard should they choose to do so;
- The sharing of plant or equipment on anything other than an ad hoc basis.
- The refusal of admission of eligible applicants to join the association.

Acceptable topics:

- Public information relating to new technical developments, ideas and inventions;
- New or proposed legislation and its commercial and legal implications, but bearing in mind that it would not be permissible to discuss or exchange information on how a particular company's terms and conditions of trade would be affected by the changes;
- Lobbying tactics and approaches to Government;
- Statistical data, market research and general industry studies, or economic prospects or trends in general, provided it relates only to 'opinion and experience' and does not include confidential or sensitive business information (however, please be aware of our policy on "Industry data" set out below);
- Best practice, or practical issues and standards with a legitimate objective related to issues such as the environment or health and safety. Discussion should be subject to seeking approval from Signature Legal to confirm that any impact on competition is acceptable in view of the benefits;
- Employment/pensions schemes, provided there is no agreement on what to offer employees.

Industry data

Participation in a legitimate industry data-gathering exercise may be an exception to the general rule that you should not exchange commercial information with competitors. That said, any collection of industry data must be subject to written guidelines and procedures to ensure that competitors do not receive information from which they could derive competitively sensitive information about other market participants. Some key points include:

- data submitted should be historic, not forward-looking;
- each participant should have access only to its own individual data and to aggregated data - information relating to individual competitors should not be identifiable to other participants; and
- submissions should be made to an independent body or officer of the trade association who is not also employed by any of the participants.

Before agreeing to take part in any data-sharing exercise, you should seek approval from Group Legal.

(iv) Credit Circles

It is acceptable to give credit references and to take part in credit circles. However, you should be careful only to give factual information and not to discuss Signature's own decisions on whether or not to supply certain customers.

For example:

In response to the question: "Do you think Customer X is a poor credit risk?"

You can answer: "Yes, that customer is a poor credit risk".

You cannot say: "That customer is a poor credit risk. I would not supply them".

The risk with the second comment is that an implied agreement could arise between Signature and other members of the credit circle that the customer in question will be boycotted. This would breach competition law.

In general, it is acceptable to respond to genuine requests for credit references, information or your opinion in relation to a particular customer, provided that the information is given in general terms, i.e. no details are given as to the circumstances that led you to form your opinion of a customer's creditworthiness or as to the terms on which you do/do not, will/will not deal with a particular customer.

4.2. RELATIONS WITH CUSTOMERS

1. Prohibited Conduct

(i) Resale Pricing

Any understanding, plan, arrangement or agreement with customers (including distributors) regarding resale prices will violate competition laws. This policy prohibits agreements with or coercion of customers (wholesalers, distributors, or dealers) regarding the prices at which Signature customers resell Signature products. Signature customers must remain free to establish their own resale price of Signature products.

Although Signature may suggest or recommend resale prices, but may take no action to force adherence to suggested resale prices. Signature can also impose a maximum price, provided this does not operate as a fixed price in practice.

If you are issuing a recommended price list or discussing recommended resale prices with a customer, you should always make clear that such prices are for guidance only and do not bind the customer.

You should not in any circumstances ask customers to supply Signature with information about their future pricing intentions. You should also never engage in discussions with customers or provide any assurances or information in relation to other customers' future price movements. Each customer must be free to set their own prices and Signature must not act in any way as a conduit for the exchange of price information between customers. Additionally, Signature must not react to customer pressure to influence other customers' pricing decisions.

(ii) Agents and Pricing

When selling through an agent or sales representative, Signature can set the sale price of the product. An agent (as opposed to a distributor) is an intermediary who procures customers on Signature's behalf, rather than buying and reselling products in his own right. Although Signature can set the price of products an agent is marketing

and/or selling on our behalf, we cannot prevent an agent from sharing with the customer any commission he earns. In effect, the agent must be free to give the customer a form of rebate, funded from his own commission, if he chooses.

This degree of control is one advantage of selling through agents, rather than distributors. Don't forget, however, that agents operating within Europe have certain rights, including a right to a payment on termination of their dealings with Signature. The various pros and cons of dealing with agents and distributors should be weighed in the balance.

(iii) Agreements with Customers/Suppliers

It is Signature's policy not to enter into, facilitate or otherwise participate in any discussions or agreements among customers/suppliers concerning the customers'/suppliers' prices or other terms and conditions of sale or the customers to which they may sell. Competition law prohibits these types of discussions or arrangements among Signature's customers and suppliers, and Signature would face liability if it facilitated or encouraged such discussions or arrangements by its customers or suppliers. So, for example, you should not participate in any arrangement that customers or suppliers may approach you with in order to help "stabilize" a market or otherwise restrict competition.

2. Further Conduct Issues to Consider

The following business situations must be carefully managed because they are frequently the cause of costly competition related litigation. If in any doubt, consult Signature Legal when taking any action in the following areas:

Selection and Termination of Customers

A decision to initiate or terminate (even for credit reasons) a business relationship with any Signature customer must be made ***independently*** and ***unilaterally*** by Signature. Under no circumstances should you make such a decision based upon discussions or agreements with any other customer or potential customer or with any persons not employed by Signature.

Resale Restrictions

Restrictions placed on any customer to limit the resale of Signature products to particular customers or territories pose substantial legal risk. The risks associated with resale restrictions increase if the restrictions are selectively enforced or if Signature also competes with the customers subject to the resale restrictions.

Exclusive Purchasing Contracts

Agreements that prohibit a customer from purchasing competitive products or require a customer to purchase all or a significant portion of its requirements from Signature may cause competition issues. Please seek guidance from Signature Legal.

4.3. RELATIONS WITH SUPPLIERS

1. Conduct Issues to Consider

The following business situations must be carefully managed as they may cause costly competition related litigation. If in any doubt, consult Signature Legal when taking any action in the following areas:

(i) Reciprocal Dealing.

Attempts to use Signature's purchasing power to compel a Signature supplier to purchase Signature products.

(ii) Requirements Contracts.

Agreements requiring Signature to purchase all or a substantial portion of its requirements from a supplier or requiring a supplier to sell all or a substantial portion of its output only to Signature.

As a matter of policy, Signature purchases raw materials, supplies and other products on the basis of price, quality and service. Signature sells its products on the same basis.

In the EU you are entitled to seek discount or rebates based on volumes purchased. In the US, sales of commodities (not services) of like grade and quality at different prices, when not justified by cost or meeting competition (among other things), could violate anti-trust law. You should seek advice from Signature Legal in such situations.

(iii) Exclusive Supply.

Agreements that a supplier will supply exclusively, or a significant proportion of its output, to Signature.

4.4. UNILATERAL BEHAVIOUR

A company that is regarded as dominant in certain of its markets may infringe competition laws if it abuses that position in some way for example through exclusionary or predatory conduct. Dominance merely consists of having sufficient market strength to act independently of the market. It does not necessarily entail having a majority share of the market, although a market share of more than 50% is generally presumed to indicate dominance.

Examples of abuse include pricing below cost to eliminate a competitor, lowering prices only in a specific area to destroy local competition, using market power in one market to obtain an unfair advantage in another market, unjustified refusals to supply, or giving discounts or rebates to customers based on their buying all, or a significant proportion of their requirements, from the dominant firm. Genuine volume-based discounts should not cause problems within Europe, although advice should be taken in the US.

Depending upon the circumstances, a wide variety of behaviours may be regarded as "anti-competitive" if engaged in by a dominant party.

(a) Sales Below Cost.

Sales below cost may be prohibited in certain circumstances. Sales at unprofitable or marginally profitable prices also pose substantial legal risk especially if the aim is to target (and undermine) other suppliers' markets.

(b) Discriminatory Prices and Promotional Practices.

As a general rule, prices, discounts, rebates and payment terms must be available to all customers that compete with each other in the purchase of Signature products, on equal terms. Different customers may, however, pay different prices for the same product provided that there is objective justification. For example, in some

situations a customer purchasing large volumes may be granted a higher discount than a customer purchasing only small quantities of product, provided that all customers are offered the opportunity to achieve the higher discount level. Similarly, promotional payments and services (e.g. co-operative advertising programmes) must be available on proportionally equal terms to all customers that compete with each other in the resale of Signature products.

You should review in advance any changes to your pricing and promotional practices with Signature Legal if the proposals contain elements of selectivity or discrimination - and in any other circumstances if you are in doubt.

(c) Excessive pricing

It is also unlawful to charge a price which is excessively high. In general to be excessively high the price must be higher than it would normally be in a competitive market and bear no reasonable resemblance to the economic value of the goods / services concerned. This is often difficult to prove.

(d) Refusal to Supply

As a general rule, and within the constraints of its contractual obligations, Signature has the right to decide with whom it will – and will not – do business, provided that it does so independently and the decision is not part of an agreement with another person or company.

As such, Signature has the right to terminate customers for legitimate business reasons such as poor credit risk or inadequate performance. However, if Signature holds a dominant position in that particular market then a refusal to supply an existing customer without an objective justification of this kind can be an abuse.

(e) Tying or "Bundling" Arrangements.

This refers to agreements that require a customer to buy one Signature product if it wants to buy another Signature product (unless for example, there are genuine safety reasons). Where Signature has significant market power or dominance in the tied Signature product, such bundling arrangements are absolutely prohibited. Any proposal to bundle sales of products should be reviewed by Signature Legal before being offered to customers.

(f) Volume rebates

Offering customers genuine rebates or discounts based on volume is permitted in the EU although advice needs to be taken in the US before this is done. However, if rebates or discounts are offered in order to tie a customer into a supplier and therefore exclude other suppliers, they can be regarded as abusive. When offering discounts or rebates to customers in markets where Signature may be dominant, you should consult Signature Legal.

4.5. INTELLECTUAL PROPERTY

Patent rights are an exception to competition law in general, as they give a "limited monopoly" to the patent owner. Nevertheless, it is possible to fall foul of competition law by abuse or misuse of the limited patent monopoly. Similar issues can arise in the fields of know-how, copyright and trade marks. These issues can be complex and frequently require careful analysis of technical, intellectual property and anti-trust issues. If you are involved in any such matters (patents, trade marks, know-how, copyright) especially where licensing of rights is concerned, you should consult Signature Legal to ensure that you are in compliance with the law.

4.6. GOVERNMENT REQUESTS FOR INFORMATION OR INVESTIGATIONS

It is the policy of Signature to co-operate with governmental authorities seeking information concerning Signature operations. At the same time, Signature is entitled to the safeguards provided by law for the benefit of persons under investigation. Therefore, any government representative seeking copies of documents or access to files, he should be told that while it is the policy of Signature to co-operate with all authorities, the matter must be referred to Signature Legal. This procedure should be followed whether the request is in writing (e.g. letter, subpoena, etc.) or in the form of a personal visit by the representative. In all cases, proper identification should be requested and immediate contact be made by telephone to Signature Legal.

4.7. USE OF LANGUAGE

Writing Documents

Internal or external memos and e-mail are frequently written about competitive matters. Sometimes, because of ambiguity or exaggeration, these may give the incorrect impression that there has been contact with competitors or customers with respect to prices or other matters of competition law sensitivity. All memos and e-mails must be written clearly and carefully to avoid misinterpretation. The following are guidelines to keep in mind when writing memos and e-mail:

Don't:

- use words that suggest secretive or potentially illegal behaviour, e.g. "please destroy after reading" or "I shouldn't tell you this but...".
- overstate the significance of Signature's competitive position or our production or marketing strategy. For example, don't use terms such as "dominant position" or indicating that any given move will "cripple the competition" or state that we are "a price leader." Use of language taken from warfare or competitive sports to describe Signature's strategy should be avoided as it tends to overstate Signature's competitive position in the market, the effects of its actions and any desire to eliminate its competitors.
- describe the competitive activities of competitors or customers as undesirable or unfair. Customers are lost, not "stolen"; price cutting is not "unethical"; and customers who charge lower prices than others are not "mavericks", "cowboys" or "irresponsible".
- suggest that a customer or a class of customers is getting special treatment, e.g. by using the words "for you alone".
- use language that falsely suggests you have collaborated with competitors e.g. "industry agreement" or "industry policy".
- use expressions that could appear flippant or as though you are speaking in code. For example, refer to a competitor by name, not as "our German friends". Only use code-names to refer to projects that are truly confidential.

Documents containing careless and inappropriate language may make perfectly legal conduct look suspicious. The time spent in writing clearly, and in following these guidelines, is an important part of our competition law compliance effort. Signature Legal will be happy to assist you.

Do:

- Discard, on a regular and systematic basis, those documents which have outlived their use and which need not be retained in order to comply with statutory requirements, or Signature's Record Retention Policy.
- Mark as "Privileged and Confidential" and keep separate any communications with Signature Legal or outside counsel relating to the seeking or obtaining of legal advice. In order to preserve their privileged status, do not circulate any of these items outside of Signature. You should be aware though that under EU competition law only advice given by external legal counsel admitted to practice in an EEA Member State will be protected by legal privilege and advice given by Signature Legal will not.
- Respond to anti-competitive offers or suggestions making it clear that you and Signature do not wish to be involved in any potentially anti-competitive activity and therefore do not wish to proceed with these discussions. Ensure that such responses are kept on file and copied to Signature Legal.

5. COMPLIANCE

Compliance with this Policy will be treated in the same manner as other Signature Aviation-wide policies. All Managing Directors will be required to sign a disclosure statement twice each year (mid-year and year-end) acknowledging their receipt of a copy of this Policy; their dissemination of the Policy to their direct reports; and their disclosure of any known violations of the Policy, to the extent not previously reported as required under the Policy.

This policy and compliance with it will be the subject of review as part of the Signature Aviation Internal Audit Programme.