

LOAN MARKET ASSOCIATION

1. COMPETITION LAW COMPLIANCE POLICY

The Loan Market Association ("LMA") is committed to compliance with all applicable competition laws. This policy highlights certain key competition law principles that employees and members of the LMA must observe when engaged in LMA activities. However it remains the responsibility of each member to ensure that its conduct is in compliance with the law, relying upon its own legal advice. In particular, where specific issues or questions arise, additional advice should be sought.

2. LIABILITY FOR BREACHES OF COMPETITION LAW

Breaches of competition law (even if inadvertent) can give rise to liability for the members themselves, the LMA or, in certain circumstances, directors and/or officers of either of these entities. Severe penalties, including significant fines and in certain circumstances, the possibility of imprisonment exist for breach of competition law.

3. INFORMATION EXCHANGE

The exchange of non-public commercially sensitive information amongst competitors will give rise to competition concerns, as it can facilitate collusion or coordination on the market.

This applies to a range of competitively sensitive data, including details of loans and pricing to customers. A general rule is that, where exchange of information via the association to members is contemplated for data not currently in the public domain, competition law issues may arise. Approval by legal advisers to ensure competition issues do not arise is therefore required prior to establishing exchange of data not in the public domain.

In this context, price data and/or forward looking information are especially competitively sensitive due to the impact they can have on the market in terms of reduction of competitive behaviour or facilitating other parallel behaviours. Members need to be particularly vigilant to avoid the inappropriate exchange of information when considering any prospective arrangement where members may be competing with each other for the provision of services.

Members should keep in mind that the rules on exchange of information apply equally to their dealings with the LMA (in terms of any exchanges occurring via the LMA which can attract liability for the association as well as between individual members), and activities independent of LMA membership.

4. CONDUCT OF MEETINGS

Where appropriate, for example at LMA meetings where members will be discussing material matters related to the industry, the following rules must be observed: (i) participants must be expressly reminded of the need to comply with applicable competition law principles; (ii) a meeting agenda must be circulated in advance and adhered to at the meeting; and (iii) written minutes must be kept.

5. **MEMBERSHIP ADMISSION**

LMA membership is open to all market participants who fulfil certain objective criteria established and applied by LMA in a fair, transparent and non-discriminatory manner. The freedom of each LMA member to compete and conduct its lawful business activities as it considers best is not restricted by virtue of LMA Membership.

6. **STANDARD DOCUMENTATION**

Members should be aware that use of standard LMA documentation is entirely voluntary. The rationale for the preparation of the LMA standard documentation is so that it may be used as a starting point for negotiation. The LMA standard documentation is non-binding and individual parties to the documents are always free to depart from their terms.