



ANTITRUST POLICY AND GUIDELINES FOR ACCP MEETINGS

Audience: ACCP Staff, Board, and Membership
Communications Channel: ACCP Employee Handbook, Board Orientation and Portal,
Member-only section of ACCP website

Antitrust Policy Statement of the Association:

It is and shall remain the policy of the Association of Corporate Citizenship Professionals ("Association"), and it is the responsibility of every Association member and member company, to comply in all respects with federal and state antitrust laws. No activity or discussion at any Association meeting or other function may be engaged in for the purpose of bringing about any understanding or agreement among members to (1) raise, lower or stabilize prices; (2) regulate production; (3) allocate markets; (4) encourage boycotts; (5) foster unfair or deceptive trade practices; (6) assist monopolization; or (7) in any way violate or give the appearance of violating federal or state antitrust laws.

Any concerns or questions regarding the meaning or applicability of this policy, as well as any concerns regarding activities or discussion at Association meetings, should be promptly brought to the attention of the Association's legal counsel.

ACCP Antitrust Guidelines for Association Meetings

The antitrust laws are the rules under which our competitive economic system operates. Their primary purpose is to preserve and promote free competition. These laws, the Sherman Act, Clayton Act, and Federal Trade Commission Act at the federal level, and similar laws in many states, prohibit contracts, combinations, conspiracies, and other agreements in restraint of trade, as well as monopolization and attempted monopolization. The definition of what constitutes an "agreement" among trade association members is subject to a broad interpretation, including "agreements" that are in oral or written form, formal or informal, and whether express or implied.

It is and shall at all times remain the strict policy of the Association of Corporate Citizenship Professionals ("Association") and its staff to comply in all respects with all federal and state antitrust laws.

Association meetings or workshops by their very nature bring competitors together. Accordingly, it is absolutely necessary to avoid discussions of legally sensitive topics and especially important to avoid recommendations with respect to these sensitive subjects. Agreements to fix prices; to allocate markets or customers;

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to engage in product boycotts; and to refuse to deal with third parties are automatically or per se illegal under the antitrust laws. It doesn't matter what the reason(s) for the agreement might be.

Accordingly, at any association meeting discussions of prices, including elements of prices such as allowances and credit terms, quality ratings of suppliers, and discussions which may cause a competitor to cease purchasing from a particular supplier, or selling to a particular customer, must be avoided. Also, there should be no discussion that might be interpreted as a dividing up of territories or customers.

An antitrust violation does not require proof of a formal agreement. A discussion of a sensitive topic, such as prices, followed by parallel action by those involved in or present at the discussion is enough to show a price fixing conspiracy. As a result, those attending an association-sponsored meeting must remember the importance of avoiding not only unlawful activities, but even the appearance of unlawful activity.

As a practical matter, violations of these rules can have serious consequences for a company and its employees. The Sherman Antitrust Act is both a civil and criminal statute. Violations are felonies punishable by penalties of up to \$100 million per violation for corporations and by imprisonment of up to ten (10) years or penalties of up to \$1 million, or both, for individuals who are found to have been involved in such prohibited activity. The sentences and fines may increase if mail or wire fraud is involved in the activity. The U.S. Justice Department, state attorneys general, and any person or company injured by a violation of the antitrust laws may bring civil actions for three times the amount of the damages, plus attorneys' fees and injunctive relief.

Antitrust investigations and litigation are lengthy, complex, disruptive, expensive and embarrassing. Even where successfully defended, a suit by the government or a private individual can have dire financial consequences to an association. Therefore, all companies and their employees must not only comply with the antitrust laws in fact but must conduct themselves in a manner that avoids even the slightest suspicion that the law is being violated. Associations, because they bring competitors together, are natural targets, along with members alleged to have participated with or through the association.

To reduce the risk of antitrust problems occurring at Association gatherings, the following guidelines are best practices for all meetings of the Executive Committee and the Board of Directors, divisions and committees, as well as all Association sponsored events, seminars, conferences, task force and working group meetings:

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- **DO NOT** discuss your current or future prices or competitors' prices with a competitor (except when buying from or selling to that competitor) or anything which might affect prices such as costs, discounts, terms of sale, or profit margins, and be very cautious of any discussions regarding past prices;
- **DO NOT** discuss an increase or decrease in prices or standardizing or stabilizing prices;
- **DO NOT** discuss pricing procedures or policies or cost data with competitors;
- **DO NOT** discuss profits or what constitutes a fair profit level;
- **DO NOT** agree with competitors to uniform terms of sale, warranties, or contract terms and provisions;
- **DO NOT** discuss or agree with competitors to give or deny cash discounts or promotional allowances;
- **DO NOT** discuss controlling sales;
- **DO NOT** discuss customer sales with competitors;
- **DO NOT** agree with competitors to divide or allocate customers, markets or territories;
- **DO NOT** act jointly with one or more competitors to put another competitor at a disadvantage;
- **DO NOT** discuss refusing to deal with a company because of its pricing or distribution practices;
- **DO NOT** agree with competitors to deal or not to deal with any customer or agree on the prices to be charged to a specific customer;
- **DO NOT** complain to a competitor that its prices constitute unfair trade practices;
- **DO NOT** discuss the establishment of uniform credit terms nor should you agree with competitors to give or deny credit to a specific customer;



- **DO NOT** try to prevent your supplier(s) from selling to or dealing with your competitor;
- **DO NOT** make any statements regarding prices or matters affecting prices at association meetings;
- **DO NOT** make any statements about your future plans regarding pricing, marketing, expansion, or other policies with competitive overtones and do not participate in discussions where other members do;
- **DO NOT** propose or agree to any standardization which will injure your competitor(s);
- **DO NOT** attend or stay at any informal or unscheduled meeting where there is no agenda, no minutes are taken, and no association staff person is present;
- **DO NOT** do anything before or after association meetings, or at social events, which would be improper at a formal association meeting;
- **DO** discuss ways to better educate industry association members and provide meaningful information about the industry;
- **DO** discuss technological and industry advances and better ways to utilize them;
- **DO** discuss federal and state government actions and develop industry-wide government relations efforts;
- **DO** discuss ways to improve the public image of the industry;
- **DO** alert association staff or legal counsel to anything improper;
- **DO** consult your own legal counsel or the association's legal counsel before raising any matter which you feel might be sensitive in nature;
- **DO** send copies to an association staff member of any communications or documents sent, received or developed by you when acting for the association;
- **DO** share with every employee of your company who deals with the association a copy of these guidelines;

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- **DO** be thoughtful and conservative. If you feel that an activity might be improper, do not do it or participate in it. Consult with association staff or its legal counsel to be sure you are on safe antitrust ground. When in doubt, play it safe and avoid discussion of the topic of concern.