



## ANTITRUST GUIDELINES

Violation of the federal antitrust laws is a felony. Violations of the Sherman Act are punishable by up to 10 years imprisonment and fines of up to \$1,000,000 for individuals for each offense and \$100,000,000 for corporations for each offense. Under federal law, the maximum fine may be increased to twice the amount the conspirators gained from the illegal acts or twice the money lost by the victims of the crime, if either of those amounts is over \$100 million. Trade associations which, by their very nature involve interaction among competitors and/or suppliers and customers, are subject to close scrutiny for antitrust violations and therefore must be careful to keep their activities within the prescribed bounds, both in appearance and in actual fact. The following guidelines have been prepared to assist SOCMA and its Board and Committees in guiding their conduct at meetings or in connection with other activities.

### DO NOT

At any meeting or social gathering incidental to such meeting, whether seriously or in jest, discuss or exchange information regarding the following subjects:

- ❖ A member company's prices (present or future), pricing patterns or policies, price differentials, price changes, or other terms and conditions of sale (e.g., transportation rates or policies, discounts, allowances, mark-up credit terms).
- ❖ A member company's costs, production, markets, capacity, inventory or sales, or its plans regarding the design, production, distribution, or marketing of specific products (including planned or anticipated changes therein).
- ❖ Except to the extent necessary to further legitimate objectives, general marketing conditions and general industry problems, including industry pricing policies or patterns, price levels, price differentials or similar matters, or industry production, capacity or inventories (including planned or anticipated changes therein).
- ❖ Bids or contracts for particular products, or bidding procedures.
- ❖ Territorial restrictions, allocations of customers, restrictions on types of products, or any other kind of market division.
- ❖ Matters relating to actual or potential customers or suppliers that might have the effect of excluding them from any market or of influencing the business conduct of any company towards such customers or suppliers, including the use of the committee to bring market dissidents into line or to penalize non-participants in the group.

### DO

- ❖ Make membership in the association freely available to all eligible firms.
- ❖ Prepare an agenda for each meeting and distribute it to all members prior to each meeting.
- ❖ To the extent possible, limit discussion at the meeting to the agenda items and only deviate from there with the approval of the Chairman (actual or acting) of the relevant group (Board, Committee, Subcommittee or Task Force).
- ❖ Have minutes taken of each meeting which accurately reflect what transpired, and promptly distribute the minutes to all members.
- ❖ Have counsel present at all Board meetings as well as any Committee, Subcommittee, or Task Force meeting at which matters bearing on competitive relations between or among members, or other sensitive information, may be discussed.
- ❖ Confine all discussion of business affairs to the formal meetings rather than engaging in rump or splinter sessions before or after scheduled meetings.
- ❖ When creating a Task Force or Subcommittee, fully describe in the minutes its purpose, authority, and relation to the parent Committee.
- ❖ Consult with outside counsel on all antitrust questions relating to the group's activities whether or not Company counsel is also consulted.
- ❖ Keep strictly confidential all individual member production, sales, or use of information utilized in computing dues or in compiling statistical data.



- ❖ Protest against, and disassociate yourself from, any discussions or activities which appear to violate the guidelines, and leave the meeting if they continue.
- ❖ Report any possible violations to the Board for further investigation and possible disciplinary action.
- ❖ Keep a copy of these guidelines as a reference and bring it to all meetings. Make a copy available to any persons in your company who becomes involved in the group's activities and urge them to read and follow it.