

# **Antitrust Compliance Policy**

*The following Antitrust Compliance Policy was approved by the 2014 SAWE Board of Directors and will be voted on by the SAWE membership for incorporation into the SAWE Constitution and By-Laws.*

## **ANTITRUST COMPLIANCE POLICY OF THE SOCIETY OF ALLIED WEIGHT ENGINEERS**

### **Statement of Policy**

It is the policy of the Society of Allied Weight Engineers, heretofore referred to as the SAWE, and its membership to strictly comply with all laws and regulations that apply to activities conducted under the auspices of the SAWE including federal and state antitrust laws. Society members, officers, and staff are expected to conscientiously adhere to antitrust laws. The SAWE will neither knowingly permit nor condone anti-competitive behavior, whether willful or inadvertent, in connection with any SAWE activity. The officers and the Board of Directors of the SAWE commit to fully comply with federal and state antitrust laws in the United States and competition laws of other countries that may apply.

The antitrust laws seek to preserve a free competitive economy in the United States and in commerce with foreign countries. As a general rule, competitors may not restrain competition among themselves through understandings or agreements as to the price, the production, distribution or nature of their products or services, or other agreements, whether written or not, that unreasonably restrict fair competition. They may not act in concert to restrict the competitive capabilities or opportunities of their competitors, their suppliers, or their customers. However, it is recognized that antitrust laws are often unclear in terms of applicability to any given conduct. Whether or not an antitrust violation exists depends solely on the specific conduct and the facts involved in each instance. Given that penalties for the violation of antitrust laws can be severe, it is the intent of the SAWE to conscientiously avoid any activities that may be construed as improper. Since the activities of the SAWE do, by design, involve meetings and activities of competitors and regulators, it is incumbent on the SAWE to ensure that no action or activity of the SAWE or its members represents an unreasonable restraint of competition.

## **Responsibilities for Antitrust Compliance**

The programs of the SAWE are carefully designed and monitored on an ongoing basis to ensure compliance with antitrust laws. Every Society member, whether organizational or individual, has a duty and responsibility under this policy and the law to avoid and prevent antitrust violations. Every member of the SAWE needs to understand basic antitrust laws, to recognize areas of potential antitrust risk, and to overtly object to and refuse to participate in any activity that poses antitrust risk until that risk can be properly assessed and cleared by legal counsel or other qualified advisor. Given the severity and cost of legal defense, this policy of the SAWE is designed to avoid even the appearance of questionable activity.

### **General Antitrust Guidelines**

As the antitrust laws prohibit anticompetitive agreements or understandings, it is important to know what behavior is indicative of anti-competitiveness. While it is not possible to provide a complete list of all the specific activities that could be interpreted to amount to an antitrust violation, well recognized areas of risk include the following:

- Discussions about controlling or influencing current or future prices (for purchase or sale), controlling, or influencing price increases or decreases, or the stabilization of market prices.
- Discussion of what constitutes a “fair” profit level.
- Procedures for establishing selling prices, cash discounts, or credit terms.
- Control of sales levels, inventory levels, or timing of sales.
- Allocation or division of markets or geographical divisions of markets among competitors.
- Agreements, recommendations, or suggestions that members refuse to deal with certain other persons or firms, in other words some type of boycott.
- “Hallway” or “hospitality room” discussions involving the discussion of business matters pertaining to fair trade. All meetings should be “on the record.”
- Whether or not the pricing practices of any competitors or industry member are unethical or constitute an unfair trade practice.
- Agreements limiting or restricting advertising.
- The collection, exchange or dissemination of any individual cost data or other information regarding pricing methods including fees charged for services or products. Papers or other materials presented at SAWE meetings or programs may refer to costs and other economic data provided that such information is

not accompanied by any suggestion, express or implied, that prices or fees should be uniform.

### **Guidelines for Society Meetings**

To avoid even the appearance of impropriety, as well as to avoid inadvertent violation of antitrust laws, all meetings of the Board of Directors, Executive Committee, and the Standards and Practices Committee, should be conducted in accordance with the following guidelines:

- A written agenda should be prepared and distributed in advance of each meeting. Any agenda issue with potential antitrust implications will be reviewed and discussed by the President, the Executive Director, and others as they deem appropriate. Additions to the agenda having potential antitrust implications should be postponed until legal counsel or another qualified advisor can be present.
- Accurate, detailed meetings minutes of every meeting will be prepared and reviewed by the appropriate committee chairperson.
- In the event of concern regarding potential antitrust implications of a discussion, that discussion must be discontinued pending assessment by legal counsel or another qualified advisor. If any member or non-member has a concern about potential antitrust implications of discussion during a meeting, he or she shall interrupt discussion and state that concern immediately and that aspect of the discussion shall be terminated pending further review and resolution by Society officers or legal counsel. Conversations involving discussion of matters in violation of this policy will not be tolerated and violating parties may be dismissed from the meeting by the chairman.

These guidelines should be followed in all meetings of the SAWE including the International Conference, meetings of individual chapters of the SAWE, and in any telephone or online conferences conducted under the auspices of the SAWE.

### **Conclusion**

This policy of the SAWE requires that all officers, staff, and members of the SAWE be vigilant to avoid behavior which may raise suspicions of illegal collusion. It is not intended to, in any way, discourage the Society's legitimate and pro-competitive activities such as the development of voluntary standards and best practices, the evaluation of relationships between producers, suppliers, and regulators, or any certification and/or training programs to benefit the industry in general. This policy has been prepared for general reference only. It is intended to inform Society leaders and members of basic antitrust principles to assist them in acting responsibly in the

conduct of Society business activities. It is not intended to be a substitute for competent legal advice. It is a standing recommendation that interested parties confer with competent legal counsel concerning significant legal issues involving fair trade practices.