1 Overview

As set forth in Article I of the Bylaws, it is the policy of the SPC to comply fully with the antitrust laws of the United States and similar foreign competition laws applicable to the SPC’s activities. It is expected that all company member representatives involved in SPC activities, all SPC contractors, all SPC auditors, and any guests invited to participate in any SPC activity will take all measures necessary to comply with antitrust and competition laws.

2 Potential Consequences

Violations of the antitrust laws can have very severe consequences for the SPC, its members and their employees. The consequences include felonies punishable by fines and imprisonment as well as serious damage to individual and corporate reputations. Individual violators can be sentenced to up to 10 years in federal prison for each offense and corporations can be fined up to $100 million for each offense, with potentially greater maximum fines of twice the gain or loss resulting from the offense. Criminal antitrust violations for an association or corporation also often lead to lawsuits for treble damages by companies and individuals alleging that they were injured by the violations.

In addition to potential criminal prosecutions, civil cases for antitrust violations can be initiated by individuals, companies and government officials. Such actions can be brought as class actions on behalf of allegedly harmed companies and consumers. These actions can seek to recover treble damages (three times the actual damages), plus attorney’s fees. Even if such an action is ultimately found without merit, the cost and burden for an association can be enormous.

3 Improper Activities And Programs

Certain antitrust violations are referred to as “hard core” or “per se” offenses. Such conduct is presumed to be unlawful whether or not it results in harm to competition. Per se offenses are likely to be prosecuted criminally. Conduct in this category includes:

- Price-fixing agreements
- Bid-rigging agreements
- Market or customer allocation agreements
- Group boycotts or refusals to deal

There are other activities that may result in unreasonable restraints on competition in certain circumstances and can lead to investigations or litigation. These activities should be considered sensitive and include:
• Exclusionary membership criteria with the effect of excluding or disadvantaging others.
• Expulsion of members.
• While standard setting, certification programs and codes of ethics are generally procompetitive, such activities can be found unlawful if they have the effect of price fixing or result in companies being boycotted or unreasonably excluded from a market.

4 Guidelines For Meetings And Other SPC Functions.

Meetings, conference calls and other activities are reasonable and necessary to the SPC’s legitimate and pro-competitive functions. Because such activities by their nature bring competitors together, however, they also invite antitrust scrutiny as potential opportunities to reach unlawful agreements. It is important to remember that an antitrust violation does not require proof of a formal agreement. Depending on the circumstances, a discussion among competitors of a sensitive topic, followed by common action by those present, could in some circumstances be enough to convince a jury that there was an unlawful agreement. Accordingly, the best practice is to avoid even the appearance of improper conduct by steering clear of competitively sensitive subjects.

Meetings of the SPC will be conducted according to these procedures:

• Whenever feasible, written agendas will be prepared in advance and will confirm that no subjects identified as improper in the Antitrust Compliance Policy are considered or discussed.
• Written materials and presentations should whenever feasible by reviewed and distributed in advance of meetings.
• Meetings should follow the written agenda unless there is a legitimate reason, which should be recorded in the minutes. Informal or “off the record” discussions of business topics are not permitted at meetings or other SPC activities.
• Accurate and complete minutes will be prepared by the SPC Administrator or a designated committee member. Minutes should include the time and place of the meeting, a list of all attendees and their affiliations, a statement of all matters discussed and actions taken with a summary of the reasons therefor, and a record of any votes taken. All minutes of meetings will be archived in electronic form by the SPC.

5 Executive Responsibilities

The Chairman of the Steering Committee and the Steering Committee members have the responsibility to oversee the implementation of the SPC’s antitrust compliance policy. The Administrator is responsible for day-to-day management and implementation of the antitrust compliance policy.
6 Training

Member companies will be sent a copy of this compliance policy, which shall also be available on the Corporation’s website. The Corporation’s orientation of new directors and officers will include a presentation on antitrust compliance and member responsibilities.

Any SPC certified auditor, any contractor employed by the SPC, and any guest at an SPC event must sign an acknowledgement of having received and read these policies. The signed acknowledgement will be archived by the SPC.

The SPC will review antitrust policies at a face-to-face board meeting each year.

7 Complaint Investigation And Internal Enforcement

Reports of noncompliance with the antitrust policy or other complaints should be promptly sent to the Chairman of the Steering Committee and the Administrator. If there is reason to believe an antitrust violation may have occurred, an investigation will be undertaken promptly.

As compliance with this policy is a membership requirement, membership can be terminated as a result of a member company’s violations of the antitrust compliance policy.

Auditors who violate or fail to comply with this policy are subject to immediate loss of certification.

Contractors who violate or fail to comply with this policy are subject to immediate termination of their contract.