



CENTER FOR COMPACT AND EFFICIENT FLUID POWER ANTITRUST POLICY

Active industry participation in the Center for Compact and Efficient Fluid Power (CCEFP) is an important aspect of support for the CCEFP. Participation adds to the vitality and energy of the organization, and furthers CCEFP's vision of accomplishing together what can't be done alone in the fluid power industry.

CCEFP is committed to strict compliance with all laws applicable to carrying out its objectives, and in the conduct of its activities. Its programs involve cooperative efforts to accomplish those objectives, including the frequent meeting of competitors and their distributors and suppliers. It is therefore important to emphasize the ongoing responsibility of CCEFP and its volunteers to comply fully with federal and state antitrust laws.

The CCEFP Industrial Engagement Committee (IEC), as governing representatives of industry to the CCEFP, are aware of their responsibility and conduct their meetings and adopt programs and activities in strict compliance with all laws applicable to not-for-profit organizations. An equal responsibility for antitrust compliance rests with all those participating in CCEFP activities such as research Project Mentors (PM's). Your corporate employer and CCEFP depend on you as a participant to use your good judgment to avoid all discussions and activities which may involve improper subject matter, or discussions which may have unintended implications, and avoidance of even an appearance of improper activity. You, who are directly involved in the industry either as a manufacturer, distributor or supplier, must take every precaution to assure that your conduct at CCEFP meetings or with competitors at any time will not have implications of an antitrust nature.

The industry representatives associated with the CCEFP are undertaking activities similar to that of an association. While the positive contributions of associations are well recognized and encouraged by government, association activities also are subject to close scrutiny under both federal and state antitrust laws. The single most significant law affecting associations is the Sherman Antitrust Act, which makes unlawful every contract, combination or conspiracy in restraint of trade. Because an association is, by nature, a group of competitors joined together for a common business purpose, an association satisfies what would ordinarily be a difficult element in proving an antitrust violation.

CCEFP industry meetings and discussions are, in general, to be industry-CCEFP-promotion, industry-CCEFP issues, and educationally or technically oriented. Discussions may generally cover matters concerning fluid power related research developments, advancing "technical know-how", identifying future market needs on a general (i.e., non-specific company) basis, generic terms, technology transfer and education/outreach related topics.

Historically, the most significant area of antitrust concern for associations has been price fixing. Price fixing is a very broad term which includes any concerted effort or action that has an effect on prices, terms or conditions of trade, or on competitors. Accordingly, CCEFP members should refrain from any discussion which may provide the basis for an inference that they agreed to take any action relating to prices, services, production, allocation of markets or any other matter having a market effect. These discussions should be avoided both at formal meetings and informal gatherings. In addition, CCEFP members should be sensitive to other matters that may raise particular antitrust concern: membership restrictions, codes of ethics or other forms of self-regulation, and product standardization or certification.

The following are guidelines participants should follow at CCEFP meetings and related informal gatherings:

- **DON'T** discuss your own or competitors' prices or fees for service, or anything that might affect prices or fees, such as costs, discounts, terms of sale, profit margins or future marketing plans.

- **DON'T** stay at a meeting where any such price talk occurs – state why you are leaving.
- **DON'T** make public announcements or statements about your own prices or fees, or those of competitors, at any CCEFP meeting.
- **DON'T** talk about what individual companies plan to do in particular geographic or product markets or with particular customers.
- **DON'T** disclose to others at meetings or otherwise any competitively sensitive information.
- **DON'T** speak or act on behalf of CCEFP unless specifically authorized to do so.
- **DO** have a staff person from CCEFP present at any meetings you conduct and insist on the agenda being followed and minutes kept.
- **DO** send copies of all CCEFP-related correspondence to CCEFP's office.
- **DO** alert CCEFP staff or legal counsel to any sensitivities or inaccuracies in proposed statements to be made by or on behalf of CCEFP.
- **DO** consult with your own legal counsel or CCEFP staff before raising any matter or making any statement that you think may involve competitively sensitive information.
- **DO** be alert to improper activities, and don't participate if you think something is improper.

Adherence to these guidelines involves not only avoidance of antitrust violations, but avoidance of behavior which might be so construed. Bear in mind, however, that the antitrust laws are stated in general terms, and that this policy only provides an overview of prohibited actions. It is intended only to highlight and emphasize the principal antitrust standards which are relevant to CCEFP programs and activities. You must, therefore, seek the guidance of either your own legal counsel or CCEFP's legal counsel if antitrust questions arise.