



Administrative Policy

Title:	Antitrust Statement and Compliance
Adopted:	January 21, 2016
Adopted by:	Executive Board
Responsibility:	Executive Board

The AIASB is a not-for-profit organization under 501(3) 6 of the Internal Revenue Code and is not organized to and may not play any role in the competitive decisions of its members or their employees, nor in any way restrict competition among members or potential members. Rather it serves as a forum for a free and open discussion of diverse opinions without in any way attempting to encourage or sanction any particular business practice.

The AIASB provides a forum for exchange of ideas in a variety of settings including its annual meeting, educational programs, committee meetings, and Board meetings. The Board of Directors recognizes the possibility that the AIASB and its activities could be viewed by some as an opportunity for anti-competitive conduct. Therefore, this policy statement clearly and unequivocally supports the policy of competition served by the antitrust laws and to communicate the AIASB's uncompromising policy to comply strictly in all respects with those laws.

A conviction can carry stiff fines for the AIASB and its offending leaders, jail sentences for individuals who participated in the violation, and a court order dissolving the AIASB or seriously curtailing its activities. The antitrust laws can be enforced against AIASB, AIASB members, and the AIASB's employees by both government agencies and private parties (such as competitors and consumers) through treble (triple) damage actions. As the principal federal antitrust law is a criminal conspiracy statute, an executive who attends a meeting at which competitors engage in illegal discussions may be held criminally responsible, even if he or she says nothing at the meeting. The executive's attendance at the meeting may be sufficient to imply acquiescence in the discussion, making him or her liable to as great a penalty as those who actively participated in the illegal agreement.

The antitrust laws prohibit competitors from engaging in actions that could result in an unreasonable restraint of trade. Above all else, AIASB members should be free to make business decisions based on the dictates of the market – not the dictates of the AIASB.

Some activities by competitors are deemed so pernicious and harmful that they are considered per se violations – it does not matter whether or not the activities actually have a harmful effect on competition; the effect is presumed. These generally include price fixing, allocation of customers, markets or territories, bid-rigging, and some forms of boycotts. In addition, there are many features that factor into price; agreements as to warranty duration, freight terms, or other factors that can directly impact price also are proscribed.

Other actions, such as standards development, certification programs, and relationships between distributors and suppliers generally are evaluated under a rule of reason – there is a balancing between the pro-competitive and anti-competitive aspects of the activities; the pro-competitive effects must outweigh the anti-competitive ones. These areas also should be approached with caution and legal guidance.

Given the severity of such penalties, the Board intends to take proper measures to ensure that violations of the antitrust laws do not occur.

It shall be the policy of the AIASB to be in strict compliance with all Federal and State Antitrust laws, rules and regulations. Therefore:

- I. This policy applies to all membership, board, committee and other meetings of the AIASB, and all meetings attended by representatives of the AIASB.
- II. Discussions of prices or price levels are prohibited. In addition, no discussion is permitted of any elements of a company's operations which might influence price such as:
 - a. Cost of operations, supplies, labor or services;
 - b. Allowance for discounts;
 - c. Terms of sale including credit arrangements; and,
 - d. Profit margins and mark ups, provided this limitation shall not extend to discussions of methods of operation, maintenance, and similar matters in which cost or efficiency is merely incidental.
- III. It is a violation of Antitrust laws to agree not to compete, therefore, discussions of division of territories or customers or limitations on the nature of business carried on or products sold are not permitted.
- IV. Boycotts in any form are unlawful. Discussion relating to boycotts is prohibited, including discussions about blacklisting or unfavorable reports about particular companies including their financial situation.
- V. It is the AIASB's policy that all meetings attended by representatives of the organization where discussion can border on an area of antitrust sensitivity, the AIASB 's representative requests that the discussion be stopped and asks that the request be made a part of the minutes of the meeting being attended. If others continue such discussion, the AIASB's representative should excuse himself from the meeting and request that the minutes show that he left the meeting at that point and why he left. Any such instances should be reported immediately to the President and staff of the AIASB.
- VI. It is the AIASB's policy that a copy of these Antitrust Compliance Policies and Procedures be given to each officer, director, committee member, official representative of member companies and AIASB employees annually and that the same be read, or understood at all meetings of the membership of the AIASB.

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