

The Foundation

OF THE WALL AND CEILING INDUSTRY

ANTITRUST FULL POLICY STATEMENT

Whereas it is the intent of the Foundation of the Wall and Ceiling Industry (“FWCI”) as a trade association and members to operate and conduct business in a manner consistent with both the spirit and the letter of the antitrust laws, the FWCI Board of Directors hereby adopts the following policy statement:

Trade associations like FWCI serve important pro-competitive interests. They create a forum for researching and promoting industry best practices, gathering technical and other trade-specific information and representing the industry to regulators and the public. At the same time, because meetings, communication among competitors, and even social functions are typically an integral part of trade associations, it is important that members understand relevant antitrust concepts and the importance of compliance with the antitrust laws that govern economic competition.

Violation of the antitrust laws can result in penalties for both trade associations and their members. Antitrust violations are punishable by civil and criminal penalties, fines and imprisonment. Regulatory antitrust fines and civil restitution in the tens, or even hundreds, of millions of dollars have become common in recent years. Government contractors may be barred from doing business with the government as a result of such violations. In addition, antitrust civil actions entitle a prevailing claimant to treble damages and the recovery of attorney’s fees. Even parties who are successful in defending against such claims typically spend millions of dollars in attorney’s fees and significant business disruption as a result of an antitrust investigation and/or lawsuit.

The adoption of this policy statement is intended to both (1) make clear FWCI’s expectation that its members behave lawfully in connection with all activities during and related to Association events, meetings and activities, and (2) reiterate its policy of antitrust compliance.

This Full Policy Statement should be referenced to all those attending a called meeting of FWCI at the beginning of the first presentation before the group,¹ and copies should be posted on the FWCI website and made available to members upon request. The minutes of these meetings should reflect the fact that reference was made to the “FWCI Antitrust Full Policy Statement.” At all FWCI meetings of regional or special nature where meeting books are not required, the document should be available, referred to and mentioned in the minutes of that meeting.

It is the responsibility of each staff member, employee, officer, director, committee member and member of FWCI, if he or she is in any doubt whether a particular act or discussion may violate the spirit or any requirement of the antitrust laws, to seek immediate guidance and advice from FWCI’s General Counsel and/or the legal counsel of their own member company.

¹ See FWCI’s Antitrust Short Policy Statement To Be Read At All Called Meetings.

A free exchange of ideas on matters of mutual interest to representatives and members of this association is necessary for the success of all FWCI meetings. Such an exchange of views is essential to the successful operation of all trade associations.

It is not the purpose of this document to discourage the lawful exploration in depth of any matters of legitimate concern to meeting participants. Nevertheless, ignoring certain antitrust ground rules, either through ignorance or otherwise, could result in the dissolution of this trade association as well as substantial criminal and civil penalties.

It is for these reasons that staff, employees, officers, directors, committee members and all members of FWCI are reminded that certain topics, including those relating to pricing, credit terms, customers, economic terms with suppliers, and agreements among competitors to affect pricing, product supply and/or competition must be avoided. The antitrust laws are intended to ensure robust competition among competitors and to avoid any collaboration among competitors that is intended to reduce competition or increase prices. It is FWCI's mission to serve the common interest of our industry without violating applicable laws designed to preserve competition, including competition among our members. Compliance with the spirit and intent of this policy in relation to all official functions of FWCI is required.

The Sherman Antitrust Act, the Clayton Act and the Federal Trade Commission Act set forth laws prohibiting unlawful restraints of trade. In general, agreements or understandings between two or more competitors that operate as an impediment to free competition are forbidden. The broad language of the Sherman Antitrust Act forbids every contact, combination ... or conspiracy in restraint of trade or commerce. Communications and discussions between or among competitors about matters that may be considered anti-competitive often comprise the evidence offered in court proceedings regarding alleged antitrust violations. It is the intention of FWCI and this statement that our members avoid even the appearance of impropriety by not only avoiding unlawful agreements and understandings among competitors, but by avoiding discussion of topics that could lead to, or be interpreted as relating to, unlawful agreements or conduct.

Included in activities and conduct that are forbidden under the antitrust laws are the following:

- Agreeing to fix or regulate prices, bids, margins or the conditions or terms of sale.
- Agreeing to participate in any form of complimentary, cover or convenience bidding.
- Agreeing to establish geographic trading areas, to allocate markets or customers, or not to bid on or pursue particular business or customers.
- Agreeing upon standardization of terms, such as credit, delivery costs, discounts or promotions.
- Participating in any plan designed to control the means of transportation or channels through which products and supplies may be sold.
- Participating in any plan with others not to do business with particular parties or to exclude particular parties from the market. (Competitors may—entirely on their own—choose with whom they will deal, but they should not discuss or agree with other competitors not to do business with particular suppliers, customers or other parties.)

This is, at best, only a general outline of some of the areas that pose antitrust dangers and that should be avoided during discussion at FWCI meetings and events. Pricing and profit information and your intention to bid or pursue (or not bid or not pursue) particular business opportunities, or to enter or not enter a particular product or geographic market should never be discussed or exchanged among competitors.

If a question arises as to the propriety of a matter under discussion, it is the obligation of all those present to seek advice of counsel and steer discussions away from any of these inappropriate areas of discussion.

Association Practices to Promote Antitrust Compliance

In connection with all FWCI meetings and functions, FWCI staff should:

- (1) Attend all FWCI meetings and functions.
- (2) Create agendas for meetings and discussion in advance, be sure that discussions are consistent with established agenda topics, and create minutes of meetings.
- (3) Review in advance all agendas, minutes and Association correspondence and publications before they are sent to Association members and/or the public. Any concerns should be discussed with FWCI's legal counsel in advance of sending the communication.

In addition, FWCI members should:

- (1) Promptly object and put a stop to any discussion among competitors regarding prohibited topics. Withdraw from any such discussion and notify legal counsel. (FWCI staff should also be sure to enforce the terms of this policy.)
- (2) Be sure that business decisions regarding pricing, bidding (including decisions to bid or not to bid), terms of sale, delivery and credit, and the decisions regarding those suppliers and customers with whom you deal are independently made by you and your company.

Legal compliance is the obligation of all of us. FWCI, its member companies and the market itself are all best served by taking these compliance obligations seriously and by conducting ourselves accordingly and in compliance with all applicable laws.

Adopted by the FWCI Board of Directors on November 24, 2020.



ANTITRUST SHORT POLICY STATEMENT TO BE READ AT ALL CALLED MEETINGS

The staff, employees, officers, directors, committee members and members of the Foundation of the Wall and Ceiling Industry (“FWCI”) are required to comply fully with the spirit and specific requirements of all federal and state antitrust laws as to all activities within the scope of and related to FWCI functions, events and communications. FWCI does not condone entering into or inviting others to enter into any arrangement or understanding for the purposes of restraining trade or competition, nor does it condone any collusive acts that could be interpreted as seeking such ends. FWCI urges all members to be aware that such violations can entail substantial criminal and civil penalties. For additional information regarding FWCI’s commitment to compliance with all federal and state antitrust laws, please refer to FWCI’s Antitrust Full Policy Statement that is included in all meeting books and available on its website.

Adopted by the FWCI Board of Directors on November 24, 2020.