

PROMOTIONAL PRODUCTS ASSOCIATION INTERNATIONAL

RULES FOR THE CONDUCT OF ANY PPAI ACTIVITY

In the 1950s, the Federal Trade Commission (FTC) brought an antitrust action regarding price competition against members of the promotional products industry and the association.

As a result, the association is particularly vigilant in its efforts to ensure proper compliance with antitrust laws.

A few very elementary but basic rules should be followed when conducting any PPAI meetings or seminars. They are to help assure that nothing is done in a meeting that would violate the antitrust laws. In planning and conducting meetings, the following actions should be taken:

- 1) Prepare a written agenda for each meeting, to contain only subjects that can be lawfully discussed.
- 2) Follow the agenda at the meeting. If topics not on the agenda come up for discussion, discussion should be postponed unless the subject is shown clearly to be one that can be lawfully discussed.
- 3) See that full and accurate minutes are kept for each meeting, and that nothing is included in the minutes that did not actually take place at the meeting.
- 4) Remind committee members that they must not resort to "rump" meetings, outside committee meetings, to try secretly to accomplish things that cannot lawfully be done through the Association.

Following is a list of topics to be avoided at all Association meetings, educational workshops, or other association events:

- Do not discuss current or future prices
- Do not discuss what is a fair profit level
- Do not discuss an increase or decrease in price
- Do not discuss standardizing or stabilizing prices
- Do not discuss pricing procedures
- Do not discuss cash or other discounts
- Do not discuss credit terms
- Do not discuss allocating markets or territories
- Do not complain to a competitor that his prices constitute unfair trade practices
- Do not discuss refusing to deal with a company because of its pricing or distribution practices
- Do not make any remark that disparages another person or company
- Do not participate in an informal group discussion about any of the above topics
- Do not distribute materials about any of the above topics\

It is PPAI policy to conduct business openly and avoid even the appearance of engaging in an activity which might appear to affect prices or competition. You can help protect yourself and PPAI from antitrust violations by following these few simple rules. If you have any questions about this, please contact PPAI staff.

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