



BOOK INDUSTRY STUDY GROUP, INC.

General Guidelines for Antitrust Compliance

The Book Industry Study Group, Inc. (BISG) is a membership organization. Members are participants from the entire publishing supply chain including publishers, retailers, wholesalers, distributors, manufacturers and service providers. Many of its members compete with each other. This means that every activity of BISG must be measured against the antitrust laws which proscribe combinations and conspiracies in restraint of trade, monopolies and attempts to monopolize, and unfair or deceptive acts or practices. These are very broad. Violations of the antitrust laws can result in injunctions, treble damage judgments, heavy fines, and even imprisonment.

Strict compliance with the antitrust laws is, and always has been, the policy of BISG. BISG exercises extreme care to avoid not only violation, but anything that might raise even a suspicion of possible violation.

An action, seemingly innocent when taken by itself, may be viewed by antitrust enforcers as part of a pattern of activity with constitutes an antitrust violation. Therefore, participants on BISG committees, task forces, work groups or other similar bodies, must always remember the purpose of the committee, task force, or work group is to enhance the ability of all industry members to compete more efficiently and effectively to provide better value to the consumer or end user. However, because BISG activity almost always involves the cooperation of competitors, great care must be taken to assure compliance with the antitrust laws.

This means:

- Participation must be voluntary, and failure to participate shall not be used to penalize any company.
- No committee, conference or activity of BISG shall be used for the purpose of bringing about, or attempting to bring about, any understanding or agreement, written or oral, formal or informal, express or implied, among and between competitors to unreasonably restrain trade, including any agreement as to prices, territorial and customer allocation, or any boycotts or refusals to deal.
- The following topics should not be discussed in meetings or communications involving personnel from companies who are actual or potential competitors:
 - prices;
 - terms or conditions of sale;
 - volume of production;
 - territories;
 - customers;
 - credit terms;

- current or future business plans relating to any competitive issue, including sales, marketing or distribution and any other matters as to which members compete.
- If any participant believes the group is drifting toward impermissible discussion, the topic should be tabled until the opinion of counsel can be obtained.
- Meetings shall be governed by an agenda prepared in advance, and memorialized by minutes prepared after the meeting.
- Tests or data collection shall be governed by protocols developed in consultation with counsel.
- The recommendations coming out of a BISG committee, task force, or work group are just that. Individual companies remain free to make independent, competitive decisions.
- Any standards developed must be voluntary standards.

Each member, and any new member, of BISG shall annually be supplied with a copy of these guidelines and agrees to abide by them.

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