

**SOCIETY FOR HUMAN RESOURCE MANAGEMENT
ANTITRUST COMPLIANCE POLICY**

1. Policy of Full Compliance

It is the policy of the Society for Human Resource Management (“SHRM”) to comply fully with all applicable antitrust laws, state and federal. Consistent with this policy of full compliance, SHRM has adopted this Antitrust Compliance Policy.

2. Procedures and Conduct

Procedures

All SHRM membership, Board of Director and Committee meetings shall be conducted pursuant to agenda distributed in advance to attendees; discussions shall adhere to agenda items; minutes shall be kept of all SHRM membership, Board of Director and Committee meetings. All SHRM Board of Director and Committee meeting agenda and minutes shall be reviewed by designated SHRM staff prior to finalization, who shall consult with SHRM’s General Counsel concerning such agenda and minutes when they deem necessary.

Attendance of SHRM General Counsel at Director, Membership or Committee meetings shall be at the discretion of the SHRM President/CEO.

A copy of the SHRM Antitrust Compliance Policy shall be included in/with Board of Director Board Meeting Books and Committee meeting agenda at least annually. The existence of the SHRM Antitrust Compliance Policy shall also be announced at each membership meeting, and copies of this Policy shall be available to members at such meeting and shall be posted on the SHRM Web site.

Conduct

- A. SHRM shall not engage in activities or discussions which might be construed as an attempt to: (a) raise, lower or stabilize prices; (b) regulate production; (c) allocate markets; (d) encourage boycotts; (e) foster unfair trade practices; (f) assist in monopolization; or (g) in any way violate applicable federal or state antitrust laws.

- B. Any wage surveys conducted by SHRM shall be structured to fit within the safe harbor provisions of the Department of Justice/Federal Trade Commission Joint Policy on Exchange of Price and/or Cost Data.

- C. Any SHRM member who participates in conduct in violation of the SHRM Antitrust Compliance Policy shall be subject to disciplinary measures, up to, and

including, termination of membership in SHRM in accordance with the SHRM Bylaws.

3. General Overview of Pertinent Antitrust Laws

A. Federal Antitrust Statutes

The Federal antitrust provisions of primary concern to SHRM members acting within the SHRM context are Section 1 of the Sherman Act (15 U.S.C. § 1) and Section 5 of the Federal Trade Commission Act (15 U.S.C. § 45).

Section 1 of the Sherman Act prohibits agreements, combinations or conspiracies in restraint of trade. Although courts have interpreted Section 1 to only prohibit “unreasonable” restraints of trade, the courts have further found that particular practices such as price fixing, group boycotts, or division of customers or markets are by their very nature so pernicious as to automatically be deemed “per se” unreasonable without the need for detailed inquiry as to their effect on the market.

The following activities within the SHRM context could violate Section 1 of the Sherman Act: (1) any agreement to fix prices or to divide customers or markets; (2) expulsion of members without just cause and reasonable procedures; (3) use of standardization or certification programs for the purpose of restricting certain companies or products or services from the market; or (4) use of wage surveys in a manner which encourages agreement on wage levels.

Violation of the Sherman Act Section 1 is a felony, punishable by fines of up to \$100 million for a corporation and up to \$1 million for an individual and/or up to ten (10) years imprisonment. In addition, violation of the Sherman Act Section 1 may subject those involved to civil liability for treble damages.

Section 5 of the Federal Trade Commission Act prohibits unfair methods of competition and unfair deceptive acts or practices. Essentially any violation of the Sherman Act Section 1 would also constitute a violation of Section 5 of the Federal Trade Commission Act. Violation of Section 5 of the FTC Act may result in injunctions, cease and desist orders and civil penalties against those involved.

B. State Antitrust Statutes

Most states have antitrust statutes which equate to the Sherman Act Section 1, except that they apply to actions affecting commerce within the State, as opposed to interstate commerce. Virginia, where SHRM is based and operates, has a state antitrust equivalent of the Sherman Act Section 1 at Va. Code § 59.1-9.1. Violation of the Virginia Antitrust Act subjects the violator to civil damages, which can in the case of willful and flagrant violations be three (3) times the actual damages sustained.