

Statistics

Certain Industry Groups conduct statistical programs that provide valuable information to participating members and that may be a requirement for membership. These programs are carefully tailored to comply with laws prohibiting price fixing and other anti-competitive practices. The exchange of pricing, sales and production information among competitors is illegal if it were to facilitate an effort among competitors to maintain uniform prices, to curb production in order to stabilize or increase prices or to curb innovation or other forms of competition or when the practice has any of these effects - whether intended or not.

Statistical reporting programs are derived from individual members' data, which are not disclosed to competitors, and in turn provide information in the aggregate. Confidentiality is enforced in all aspects of these programs, and MHI's Business Analyst is the sole repository of individual members' data and never discloses aggregate information that could be revealing. Legal counsel approves all rules and guidelines of statistical programs including amendments and changes.

The document retention policies of MHI and participating Industry Groups govern the maintenance of records that are generated from statistical programs.

The following rules apply to all activities involving MHI and its Industry Groups:

- DO** insist that MHI meetings have agendas that are circulated in advance and that minutes of all meetings properly reflect the actions taken at the meeting.
- DO** terminate any meeting (formal or informal) or conversation where improper subjects are being discussed, and announce why it is being terminated.
- DO** be aware that all members are required to observe these Rules & Requirements at all meetings and discussions.
- DO** avoid conflicts of interest and the appearance of such conflicts and notify MHI Staff of them before deliberations or decisions on issues involving such a conflict are held.
- DO** be diligent in preserving the confidentiality of all sensitive and proprietary information involving MHI and its Industry Groups.
- DO** ensure that any questions about the legal aspects of MHI's activities or individual responsibilities under the antitrust laws are submitted to your own counsel or from MHI Staff and its legal counsel. Questions about MHI's antitrust policies or these Rules should be directed to MHI's CEO.
- DO NOT** discuss prices, fees, rates or features that could impact (raise, lower or stabilize) prices such as discounts, costs, terms and conditions of sale, warranties or profit margins. (A price-fixing violation could be inferred from price-related discussions that are followed by parallel decisions on pricing by members, even in the absence of an oral or written agreement.)
- DO NOT** allow competitors to agree about uniform terms of sale, warranties or contract provisions.
- DO NOT** allow information about fees, prices, production, sales, bids, costs, customer credit or other business practices to be exchanged unless it is pursuant to a well-considered plan that has been approved by MHI's General Counsel.
- DO NOT** allow competitors to allocate customers, markets or territories.
- DO NOT** allow competitors to agree not to deal with particular suppliers or others.
- DO NOT** try to prevent a supplier from selling to competitors.
- DO NOT** allow members to discuss their customers with competitors.
- DO NOT** allow restrictions on membership, development of standards, certifications, accreditations or self-regulatory programs without prior approval of MHI's General Counsel.



MEETING RULES & REQUIREMENTS

MHI is the nation's largest material handling, logistics and supply chain association. It is the authoritative resource for the material handling industry offering education, networking and solution sourcing for its members, their customers and the industry as a whole through programming and events. Its members include material handling and logistics equipment companies, systems and software manufacturers; consultants; systems integrators and simulators; and third-party logistics providers and publishers. MHI includes Industry Groups (Product Sections, Councils and Affiliated Trade Associations) that represent the leading providers in several key equipment and system solution categories and sponsors the industry-leading ProMat and MODEX trade shows. MHI and its Industry Groups adhere to the following Rules & Requirements:

Antitrust Considerations

The antitrust laws of the United States are designed to protect competition by prohibiting agreements, combinations and conspiracies in restraint of trade and by barring competitors from engaging in activities that could result in an unreasonable restraint of trade. Members of MHI are free to make business decisions based on the dictates of the market, not the dictates of this association or its other members. The Sherman Act makes illegal competitors' agreements, either formal or informal, which have the purpose or effect of unreasonably restricting competition. Fixing prices of competing products or dividing customers or territories with the objective or result of setting up an exclusive set of customers or territories with which no competitor can do business are examples of such restrictions. The Sherman Act contains severe criminal penalties for violations; it provides for substantial fines for corporations, individuals, and other organizations such as trade associations or for the greater of twice the defendants' gross gain or twice its victims' gross loss. The Federal Trade Commission ("FTC") Act prohibits "unfair methods of competition" and "unfair or deceptive acts or practices"; it renders anti-competitive actions of a single person or firm, whether or not there is an agreement among competitors, illegal. The FTC enforces its Act by issuing cease and desist orders; penalties for individuals or organizations violating an FTC cease and desist order can include a significant daily fine lasting as long as the illegal activity continues. Some activities by competitors are deemed so pernicious and damaging that they are considered per se violations of antitrust laws - regardless whether or not the conduct harms competition; these generally include price fixing and certain forms of boycotts. Other actions such as standards development and relationships between members and others may be evaluated under a "rule of reason" by which pro-competitive and anti-competitive aspects of those activities are balanced. Private parties may also file civil lawsuits that, if successful, award treble damages plus court costs and attorney's fees - all of which can be significant. The cost of defending an antitrust lawsuit can be substantial, even if the defense is ultimately successful.

Such serious potential consequences mandate that all meetings and activities of MHI be conducted in strict compliance with the requirements of the antitrust laws of the United States. To promote this requirement, these Rules & Requirements are distributed at its meetings and at meetings of its Industry Groups including its affiliated Trade Associations. In addition, MHI Staff and volunteers are trained on these issues. MHI members are required to avoid discussing certain subjects when they are together — both at formal gatherings, by telephone and in informal settings — and must otherwise adhere strictly to the following rules:

Meetings

An agenda of meeting topics is distributed in advance of each meeting. Meetings are held only when there are matters of substance that justify them. Discussions at meetings must strictly adhere to the published agenda, and subjects that are not on the agenda are generally not considered at that meeting. Any exception to this general practice is referred to legal counsel or is tabled until the next meeting, unless urgent action is required. MHI makes Staff and legal counsel available for all meetings and provides legal assistance on sensitive topics or if legal questions arise. Minutes are kept of all meetings and accurately record actions that are taken and discussions that are held. Legal counsel reviews all agenda and minutes before they are distributed. The agenda and minutes constitute official business records and are distributed within a reasonable time following each meeting.

Commercial topics are not discussed, considered or acted upon. There must be no discussion of "sensitive" anti-competitive subjects such as those relating to price, products, markets, the solicitation of customers or the selection of suppliers at any Industry functions, whether at meetings or elsewhere.

Standards

Industry standards may be subject to the antitrust laws of the United States, and standards developed by Industry Groups objectively promote public benefits such as safety or compliance with applicable regulations without restricting competition. MHI is an Accredited Standards Developer of the American National Standards Institute (ANSI). Standards that are developed by MHI Industry Groups are advanced under the auspice of MHI's status as such a Developer.

Industry Groups develop, reaffirm, revise or withdraw standards in accordance with MHI Procedures for the Development and Coordination of American National Standards, which embraces ANSI's Essential Requirements: Due Process Requirements for American National Standards. Only Industry Groups that comply with MHI Procedures are permitted to seek accreditation from ANSI.

Standards that are developed by Industry Groups must be approved in a canvassing process which involves a committee whose members are materially affected by the particular material handling standard and whose members identify their interest from the following categories:

User

Corporate or individual end user of the specific product or family of products named in this proposed standard.

Manufacturer

Manufacturer of the specific product or family of products named in this proposed standard.

Distributor

Companies or consortia that distribute, but do not manufacture the specific product or family of products named in this proposed standard.

Government

Regulatory, legislative or judicial entities at the federal, state or local levels.

Association

Members of professional trade associations or societies that represent groups of individual professionals or groups of companies.

General Interest

Those who have a material interest other than those above. This category typically includes, but is not limited to testing laboratories, educational institutions, consultants, integrators, insurance, labor, etc.

MHI seeks balance among these categories in the membership of its canvass committees so that no single category constitutes more than one-third of a committee for safety related standards and more than one-half of a committee for non-safety related ones. Compliance with a standard is not permitted to be a condition of membership in an Industry Group, and no Group is permitted to require that its members comply with a certification program that is linked to a standard. The Industry Group that develops a standard decides whether it will be copyrighted.