

ANTITRUST GUIDELINES

FOR THE

Connecticut Hydrogen Fuel Cell Coalition "CHFCC"

This document briefly summarizes the federal antitrust laws that apply to the CHFCC's activities and shall be followed at any meeting of the members of the CHFCC and acknowledged in the minutes of each meeting.

Introduction

The antitrust laws prohibit contracts, combinations and conspiracies in restraint of trade. Because the CHFCC includes combinations of firms in the same industry, compliance with the antitrust laws are of primary importance.

There are both civil and criminal penalties for violating antitrust laws. An individual and a corporation found to have violated the antitrust laws may be fined up to \$1,000,000 and \$100 million, respectively. Individuals and corporate officers may be imprisoned for up to ten years. In addition, there are civil penalties available to antitrust enforcement agencies such as a cease and desist order and dissolution of the CHFCC. In addition to government enforcement of the antitrust laws, an individual or company that suffers injury as a result of an antitrust violation may file a private suit against the violator and recover treble damages.

Examples of Unlawful Conduct

The bringing competitors together for discussions and possible joint activities may present opportunities to take collective action in violation of the antitrust laws. Thus, CHFCC members must avoid any discussion that constitutes an agreement by the participants, express or implied, to take any action that might restrain trade. An "agreement" in this respect is broadly interpreted and may be oral or written, formal or informal. A "gentleman's agreement" to "hold the line" on prices is more than sufficient to evidence an unlawful conspiracy to fix prices.

Some examples of unlawful conduct are:

- Agreements to fix, control or otherwise limit price competition (price fixing);
- Agreements to refuse to deal with certain third parties (boycotts);
- Agreements to allocate customers or geographic territories or to limit production;
- Tie-in sales which require the customer to buy an unwanted item in order to buy the product desired.

Guidelines for Avoiding Antitrust Violations

1. Meetings shall be structured around items of CHFCC business that justify a meeting.

2. A meeting notice along with an agenda shall be sent in advance to each member; the agenda shall be specific and avoid such broad topics as "marketing practices" that, although entirely innocuous in purpose, might look suspicious to an outsider.
3. The meeting agenda shall be strictly followed. In general, subjects not included on the agenda shall not be considered at the meeting.
4. The Connecticut Center for Advanced Technology, Inc., as administrator for the CHFCC, shall attend all meetings. If a participant brings up for discussion a subject of questionable legality, he or she shall be told immediately that the subject is not a proper one for discussion. A CCAT staff representative or any member present who is aware of the legal implications of a discussion of the subject shall attempt to halt the discussion. It is advisable that participants leave the meeting if the discussion continues.
5. Minutes of all meetings shall be kept by CCAT, as administrator for the CHFCC, and they must accurately report what actions, if any, were taken.
6. Secret or "rump" meetings held at the time of the regular meeting shall be strictly avoided. These informal meetings can jeopardize legitimate activities and create a risk that those activities will be investigated.
7. During meetings there shall be no recommendations related to price or pricing policies, including credit terms, discounting policies and other price related issues.
8. Members shall not be in any way coerced into taking part in activities outside the express purpose of the CHFCC. There shall be no policing of the industry to see how individual members are conducting their business.
9. If there is any doubt about an activity or subject of discussion, members should check with their company or organization's counsel.