



## MARCELLUS SHALE COALITION ANTITRUST COMPLIANCE GUIDELINES

The Marcellus Shale Coalition's (MSC) purpose is to promote the production of clean, job-creating, American natural gas from the Marcellus and Utica Shale plays. The MSC is a nationally recognized trade association that promotes the responsible development of natural gas markets, supply and transportation infrastructure through its growing and diverse membership. By definition, the MSC is an organization of competitors and as such, there are inherent antitrust implications in its operations and actions.

The Board of Directors has adopted the following Antitrust Compliance Guidelines ("Guidelines") in order to provide guidance to its officers, employees, and members when faced with potential antitrust issues. The Guidelines are not intended to be a substitute for legal advice that the MSC directors, officers, employees or members may receive from their own legal counsel, and are not intended to be a wholesale review of all antitrust-related issues that may arise in the MSC's operations and activities.

Applicable Antitrust Laws: The MSC is subject to federal and state antitrust and trade regulation laws. The two most important federal laws are the Sherman Act and the Federal Trade Commission Act.

The Sherman Act prohibits contracts, combinations or conspiracies that result in the restraint of trade. The Federal Trade Commission Act prohibits unfair methods of competition and unfair or deceptive acts or practices, in or affecting commerce. The federal statutes provide for criminal penalties that can result in fines for the MSC, its directors, officers, employees and its members, jail sentences for individuals who participated in the violation of the laws, or court orders dissolving the association, among other things.

Compliance: The MSC is committed to the principle of competition served by the antitrust laws, and good business judgment demands that, in all MSC activities, each director, officer, employee and member is responsible for following these Guidelines and ensuring that the Guidelines are known and adhered to in the course of activities pursued in the course of their employment or membership. These Guidelines apply equally to social gatherings incidental to MSC-sponsored meetings or events. The MSC requires strict compliance with federal and state antitrust and trade regulation laws and will not become involved in the competitive business decisions of its individual members. The MSC will not take any action that would result in a restraint on competition or trade.

Prohibited Discussions: MSC directors, officers, employees, and members should avoid discussing the following subjects when they are together at formal MSC membership meetings, Board of Directors meetings, committee meetings, or other MSC-sponsored meetings or events, unless such discussions are reviewed and approved by MSC's Legal Committee:

1. Prices, fees or rates or features that can affect prices;
2. Standardization or stabilization of prices;
3. Market shares or market positions of competitors;
4. Fees, prices, production, sales, bids, cash discounts, warranties, costs, customer credit or other contract provisions or business practices;
5. Division of customers, territories or markets;
6. Individual customers or suppliers;
7. Boycotting any person or business; and
8. Membership restrictions, standard-setting, certification, accreditation or self-regulation programs.

Legislative Activities: Certain legislative actions undertaken by the MSC and its members are immune from liability under the antitrust laws. The *Noerr-Pennington Doctrine* provides that "petitioning" conduct by individuals or associations is immune from liability under federal antitrust laws and certain protections are provided to petitioners who request a government decision maker to exercise its discretion in a certain way. In general, the *Noerr-Pennington Doctrine* protects the effort of the MSC and its members to influence the exercise of governmental power through legislation, regulation or the courts, and does not create a liability under the federal antitrust laws, even if such petitioning results in gaining an anticompetitive advantage over a competitor or another industry. MSC directors, officers, employees, and members should not engage in any of the following types of conduct as they not protected by the *Noerr-Pennington Doctrine*:

1. Engaging in litigation or petitioning solely for the purpose of using the process to harm, delay, or obstruct a competitor;
2. Misrepresentations and omissions in an adjudicatory context;
3. Price-fixing, customer or market allocation, and other anticompetitive agreements, even if made in the course of engaging in immune petitioning activity;
4. Informational filings with federal agencies that seek only a ministerial response, such as tariffs and collective rate filings;
5. Bribery

Legal Guidance: Federal and state antitrust and trade regulation laws are often unclear. If any MSC director, officer, employee, or member is concerned about an activity or discussion potentially being in violation of such laws, it should state so on the record immediately, and consult with MSC's Legal Committee or its own legal counsel. The Board of Directors or MSC staff shall consult with MSC's Legal Committee when they have questions regarding the application of antitrust laws to the activities of MSC. When requested, representatives of the MSC's Legal Committee shall be present at meetings of the Board of Directors and shall review and approve the agenda and meeting minutes prior to distribution to MSC's members.

Reporting Violations - Suspension:

MSC directors, officers, employees, and members have an obligation to terminate on the record any discussion, seek legal counsel's advice and, if necessary, terminate any meeting if the discussion raises any antitrust issues. All members or employees are obligated to report any known violations of these Guidelines or applicable antitrust and trade regulation laws to MSC's legal counsel. Any violation of these Guidelines or applicable antitrust and trade regulation law shall be cause for immediate suspension of the violator from membership or employment with MSC.

Meetings and Agendas: All MSC meetings shall be announced on the website and distributed by a notification method agreeable to MSC and its members. All MSC meetings shall have agendas that are circulated in advance and minutes properly reflecting the discussions and actions taken at such meeting. Each agenda and minute shall include MSC's Notice of Antitrust Compliance.

Authors, Speakers, and Presentations: Authors of papers and speakers or presenters at MSC-sponsored events and conferences shall be informed of these Guidelines and the need to comply therewith in the preparation and presentation of their papers or speeches.

Notice of Antitrust Compliance:

The following statement shall be included on the MSC's website, committee meeting rosters or agendas, minutes, note statements and other documents reflecting MSC operations or activities.

**MSC Antitrust Statement** – The MSC conducts all of its business, meetings and other affairs in strict compliance with the applicable antitrust and trade regulation laws. It is the responsibility of every MSC officer, director, employee, and member to (i) be guided by MSC's Antitrust Compliance Guidelines for strict compliance with the antitrust and trade regulation laws in all MSC and industry-related meetings, events, and activities, (ii) avoid discussions and actions which may be construed in any way to restrict competition, fix prices, or boycott, and (iii) report any known violations of MSC's Antitrust Compliance Guidelines or applicable antitrust and trade regulation laws to the Chair (or Vice Chair) of the MSC's Legal Committee.

