

# ANTITRUST POLICY

Approved by the BCI Council – 2<sup>nd</sup> September 2009

## Orientation

The Better Cotton Initiative (BCI) exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future. The Better Cotton Initiative (BCI) intends to conduct its affairs in compliance with the applicable antitrust/competition laws of the United States, the states within the United States and other countries and jurisdictions (collectively, "Antitrust Laws"). The Antitrust Laws are intended to preserve and promote free, fair and open competition that benefits consumers and companies through innovative and efficient practices. A violation of the Antitrust Laws can have serious consequences for BCI and its participating companies. Accordingly, BCI hereby issues the following Better Cotton Initiative Antitrust Policy ("Policy") for itself and its members, advisors, and participants (collectively, "Participants"), in connection with participation in BCI's activities.

## Antitrust Policy

1. Neither BCI nor its committees or activities 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, between or among competitors with regard to prices, terms or conditions of sale, distribution, volume of production, territories, customers or credit terms.
2. In connection with participation in BCI, there shall be no discussion, communication, agreement or disclosure among Participants that are actual or potential competitors, regarding their prices, discounts, terms or conditions of sale, licensing of products or services, pricing methods, profits, profit margins, cost data, production plans, marketing plans, market shares, sales territories or markets, allocation of territories or customers, or any limitation on the timing, cost or volume of their research, production or sales.
3. Each Participant is obligated and expected to exercise its independent business judgment in pricing its services or products, dealing with its customers and suppliers, and choosing the markets in which it will compete. BCI shall not compel or coerce any Participant into manufacturing or selling any product that utilizes the goods, services, innovations or technology of BCI or any other Participant.
4. BCI and its Participants, in connection with their participation in BCI, shall not enter into any agreement, arrangement, or understanding among themselves to refrain, or to encourage others to refrain, from purchasing any materials, product, equipment, services or other supplies from any supplier or vendor, or from dealing with any supplier or vendor.
5. BCI and Participants, in connection with their participation in BCI, shall not attempt to prevent any person from gaining access to any market or customer for goods and services, or attempt

to prevent any person from obtaining a supply of goods or services or otherwise purchasing goods or services freely in the market.

6. The qualifications for participation in BCI are as established by the Council of BCI in good faith, and not with the intent of excluding competitors from access to BCI. No applicant for participation that meets the qualifications shall be denied participation for any anti-competitive purpose. No Participant shall be excluded from BCI for an anti-competitive reason.
7. To the extent that BCI develops, administers or approves Production Principles, Enabling Mechanisms, criteria, standards, specifications, innovations or certification programs, a Participant's decision to adhere to or participate therein shall be voluntary on the part of Participants, and shall in no way be compelled or coerced by BCI.
8. Production Principles, Enabling Mechanisms, criteria, standards, specifications, innovations or certification programs which may be considered, developed, administered, approved or adopted by BCI shall be based upon appropriate technical, business, environmental, social, and consumer considerations, and shall not be based upon any effort or purpose to unreasonably prevent, reduce or eliminate competition in the sale, supply and furnishing of products and services or to create unnecessary obstacles to international trade.
9. BCI may condition use of its trademark(s) on compliance with terms and conditions developed to regulate the use of and to protect such mark, in conformity with the Antitrust Laws. BCI also reserves the right to take appropriate action against any person or entity which engages in false or misleading advertising regarding their participation in BCI or use of or compliance with Production Principles, Enabling Mechanisms, criteria, standards, specifications, innovations or certification programs of BCI.
10. No person is authorized to make an official or public statement on behalf of BCI regarding whether a particular product complies or does not comply with the Production Principles, Enabling Mechanisms, criteria, standards, specifications, innovations or certification programs of BCI, unless such authority is specifically conferred in writing by the Council of BCI
11. In conducting any meeting of the General Assembly, the Council, or any committee of BCI, the chair of each such meeting shall prepare and follow a written agenda. Discussion will be limited to topics set forth on the written agenda. Meetings shall be recorded in minutes which accurately reflect the meeting and which an antitrust council will review. Meetings shall be conducted under the following rule: Participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other Participant, will be revealed.
12. During the course of the activities of, or sponsored by, BCI, Participants should refrain from disclosing information to any other Participant that is not reasonably related to the legitimate purposes of such activities.
13. BCI and each Participant, in connection with the activities of BCI, shall use their reasonable efforts to comply in all respects with the Antitrust Laws.
14. This Policy is conservative and intended to promote compliance with the Antitrust Laws, not to create duties or obligations beyond what the Antitrust Laws actually require. In the event of any inconsistency between this Policy and the Antitrust Laws, the Antitrust Laws shall control.
15. Each Participant shall be provided a copy of this Policy. All Participants shall abide by this Policy.
16. The English version of the present Antitrust Policy is the one approved by the BCI Council and shall be considered as the reference in case of conflict of interpretation with any other versions.