



# SCAN Membership Application Process

To apply to become a SCAN Member, you will need to fill out and agree to all of the following sections in the application as well as provide your company information and point of contacts:

- Association Mission and Bylaws
- Antitrust Compliance Policy and Guidelines
- Confidentiality and Intellectual Property Policy and Guidelines

If you have any questions or would like to submit your application, please send all inquiries and completed applications to [memberservices@scanassociation.com](mailto:memberservices@scanassociation.com).

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## Association Mission and Bylaws

### ARTICLE I NAME AND MISSION

1.1 Name. The name of this exempt, non-stock, non-profit corporation is Supplier Compliance Audit Network, Inc. It is hereinafter referred to in these Bylaws as the “Corporation” or “SCAN”.

1.2 Mission and Tax-Exempt Status. The mission of SCAN is to provide a systematic approach whereby mutually acceptable global compliance standards are achieved in reducing audit and operational redundancy for common supply chain stakeholders while maintaining confidentiality. SCAN is organized and shall be operated exclusively as a business league, for the purpose of promoting the common business interests of importers within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (or corresponding provisions of any subsequent federal tax laws).

### ARTICLE II MEMBERS

2.1 Membership. SCAN shall have three (3) classes of members. (a) Executive Members. Any company engaged in the direct importation of goods across borders with a particular interest in advancing SCAN’s stated purpose and mission shall be eligible to be an Executive Member of SCAN. (b) Associate Members. Any individual, company, or organization engaged in the transportation of goods with a particular interest in advancing SCAN’s stated purpose and mission shall be eligible to be an Associate Member of SCAN. Associate Members shall have limited voting rights as set forth in Section 2.4 hereof. (c) Affiliate Members. Any individual, company, or organization engaged in providing supply chain related services and support shall be eligible to be an Affiliate Member of SCAN. Affiliate Members shall have no voting rights. The Board of Directors may revise the membership classes or establish such other classes and rights, criteria and obligations of membership as it deems appropriate. Each Executive and Associate Member shall designate no more than one person to serve as its primary representative with respect to all membership matters (a “Member Representative”) and shall advise SCAN of the name, address, and email address of the Member Representative. The Member Representative of an organization which is an Executive or Associate Member shall have the power and authority to exercise all the rights and privileges of an Executive or Associate Member of the Corporation, respectively.

2.2 Applications. Any individual, company, or organization desiring to become a member of SCAN shall apply to do so, on forms to be approved and supplied by the Board of Directors for that purpose. Applications shall be accompanied by the dues or fees required for the first year of membership, as established by the Board of Directors under the authority of section 2.3 of this Article, with exceptions



as approved by the Board. All applications for membership shall be made in writing to the Corporation, constituting an agreement on the part of the applicant, if approved, to adhere to the Certificate of Incorporation, these Bylaws, rules and policies of the Corporation, including, without limitation, the provisions of the Membership Agreement, if applicable. The admission of an applicant to membership shall require the consent of a majority of all of the Board of Directors, then in office at the time of such application. Any applicant who is deemed not to meet such criteria is entitled to formal written notice setting out the reasons the application failed within 15 days of making such a request in writing.

**2.3 Dues.** The Board of Directors shall establish, and may change from time to time, the amounts of dues or fees required to be paid by Executive, Associate, and Affiliate Members, and any other class of membership that the Board may establish. Dues or fees shall be payable as of the date invoiced, or otherwise as determined by the Board of Directors on a case-by-case basis.

**2.4 Voting Rights.** Executive Members in good standing of the Corporation shall be entitled to vote for the election of Directors and on other matters provided for in these Bylaws or on matters submitted by the Board to a vote of the Executive Members. Associate Members shall not be entitled to vote for the election of Directors and shall have voting rights only on matters submitted by the Board to a vote of the Associate Members. The Member Representative of each Executive Member and Associate Member shall be entitled to one vote on each such matter. Affiliate Members shall have no voting rights.

**2.5 Termination of Membership.** By a vote of two-thirds (2/3) of the entire Board, the Board may terminate the membership of any Member who shall be in default in the payment of dues or fees or failure to abide by other commitments required of a Member, as set forth in the Certificate of Incorporation, these Bylaws, rules and policies of the Corporation, or Membership Agreement, if applicable. No termination of membership shall be made by the Board unless written notice of such proposed action and the grounds therefor shall have been given to such Member at least thirty (30) days prior to the taking of such action and such Member shall have been afforded a reasonable opportunity to be heard before the full Board.

**2.6 Resignation.** Any Member may resign by filing a written notice of resignation with the Secretary of the Corporation or with such other person as the Board shall designate from time to time. However, such resignation shall not relieve the Member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

### **ARTICLE III MEETINGS OF MEMBERS**

**3.1 Place of Meetings.** Meetings of the Executive and Associate Members shall be held at such place within or outside of the State of Delaware as may be designated from time to time by the Board.

**3.2 Annual Meeting.** The annual meeting of Executive Members for the election of directors (if applicable for any given year) and for the transaction of such other business as may properly be brought before the meeting shall be held on a date to be fixed by the Board at the time, place and/or manner to be fixed by the Board and stated in the notice of the meeting.

**3.3 Special Meetings.** Special meetings of the Executive or Associate Members may be called at any time by the Board, the Chair of the Board or upon the written request of not less than one-fourth (1/4) of the Executive or Associate Members, respectively, for any purpose or purposes prescribed in the notice of the meeting and shall be held at such place or manner, on such date and at such time as the Board may fix. Business transacted at any special meeting of the Executive or Associate Members shall be confined to the purpose or purposes stated in the notice of meeting.



3.4 Notice of Meetings. Unless waived, notice of the time, place or manner, and in the case of a special meeting, the purpose or purposes for which the special meeting is called, shall be given to each Executive or Associate Member's designated representative, not less than five (5) business days nor more than sixty (60) days before such meeting.

3.5 Quorum. At all meetings of the Executive or Associate Members the presence, in person or by proxy, of at least twenty-five percent (25%) of the Executive or Associate Members entitled to vote pursuant to Section 2.4 hereof shall constitute a quorum for the transaction of business. If a quorum is present, a majority of the Executive or Associate Members entitled to vote who are present at any meeting shall determine any matter coming before the meeting unless a different vote is required by statute, by the Certificate of Incorporation, or by these Bylaws.

3.6 Proxies. A Member entitled to vote pursuant to Section 2.4 of these Bylaws may vote in person or by proxy executed in writing by the Member Representative identified pursuant to Section 2.1 of these Bylaws or by the Member representative's attorney-in-fact. If the validity of any proxy is questioned, it must be submitted to the secretary of the Members' meeting for examination or to a proxy officer or committee appointed by the person presiding at the meeting. The secretary of the meeting, or if appointed, the proxy officer or committee, shall determine the validity or invalidity of any proxy submitted; and reference by the secretary in the minutes of the meeting to the regularity of a proxy shall be received as prima facie evidence of the facts stated for the purpose of establishing the presence of a quorum at such meeting and for all other purposes.

3.7 Presiding Officer. The Chair of the Board shall preside at all meetings of the Members. In the absence of the Chair of the Board, the Vice Chair shall preside. In the absence of the Chair and Vice Chair, a presiding officer shall be chosen by the Members present. The Secretary of the Corporation shall act as secretary of all meetings of the Members, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

3.8 Adjournments. Any meeting of the Members, whether or not a quorum is present, may be adjourned by a majority of the Members present at the meeting. If a meeting is so adjourned notice shall be given in accordance with Section 3.4 for any reconvened meeting. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

3.9 Telephone and Similar Meetings. Members may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.10 Member Action Without a Meeting. Any action which may be taken at any annual or special meeting of Members may be taken without a meeting and without prior notice, if a consent in writing (including by electronic transmission), setting forth the actions so taken, is signed by the Members having not less than the minimum number of votes which would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. All such consents (including by electronic transmission) shall be filed with the Secretary of the Corporation and shall be maintained in the corporate records.

## **ARTICLE IV BOARD OF DIRECTORS**

4.1 General Powers. The property, affairs, and business of the Corporation shall be managed and controlled by its Board of Directors. The Board of Directors may by general resolution delegate to officers of the Corporation and to committees such powers as provided for in these Bylaws.



4.2 Number and Qualifications . The number of Directors shall be eleven (11), or such other number as shall be decided by the Directors from time to time, so long as that number shall not be less than one (1). Directors must be Executive Members of the Corporation.

4.3 Term and Manner of Selection . The initial eight (8) Directors set forth in the Certificate of Incorporation shall serve terms of two (2) years or until their successors are elected and qualified. Thereafter, Directors shall be elected by a majority vote of the Executive Members and shall serve staggered terms of three (3) years. Directors may succeed themselves in office. As soon as practicable after the formation of the Corporation, the Executive Members shall elect the additional (3) Directors.

4.4 Resignation. Any Director may resign at any time by giving written notice to the Chair. Such resignation shall take effect at the time specified therein, or, if no time is specified, at the time of acceptance thereof as determined by the Chair or Board of Directors.

4.5 Removal. The vote of a majority of the number of the Directors established by these Bylaws shall be required to remove a Director from office prior to the expiration of the term for which that Director has been elected.

4.6 Vacancies . Vacancies among the Directors, whether caused by resignation, death, removal, or expiration of a term, may be filled by the remaining Directors at any regular or special meeting.

4.7 Meetings. (a) The Board of Directors shall provide by resolution the time and place, whether within or without the State of Delaware for the holding of the annual meeting of the Board, and any other regular meetings of the Board. (b) Special meetings of the Board of Directors may be called by the Chair, or by a majority of the voting Directors then in office, who may fix any place, whether within or without the State of Delaware, as the place for holding any special meeting.

4.8 Notice . Notice of any special meeting of the Board of Directors shall be given at least one (1) day previous thereto by written notice delivered personally, electronic methods or mail delivered to each director at his physical or electronic address as shown in the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by electronic methods, such notice shall be deemed to be delivered when the notice is sent to an address or number approved by the recipient. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

4.9 Quorum . The presence in person of a majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present in person at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

4.10 Manner of Acting . The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. Directors may attend a meeting by telephonic or similar equipment by means of which all persons participating in the meeting can hear each other.

4.11 Action without a Meeting . Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the



Board or committee, as the case may be, consent thereto in writing (including by electronic transmission), signed by all Directors or committee members, as applicable. All such consents shall be filed with the Secretary of the Corporation and shall be maintained in the corporate records. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

4.12 Compensation . Directors shall not receive any stated salaries for their services as such, but by resolution of the Board of Directors expenses of attendance may be allowed for attendance at each regular or special meeting of the Board; however, nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation therefor.

## **ARTICLE V OFFICERS**

5.1 Officers. The officers of the Corporation shall be a Chair, Vice-Chair, Secretary, Treasurer, and such other officers as may be selected in accordance with other provisions of this Article. The Board of Directors may employ such other officers or agents, including a paid President & CEO, or one or more Assistant Secretaries, and one or more Assistant Treasurers, as it shall deem desirable, and such officers shall have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person except the offices of President and Treasurer.

5.2 Term and Manner of Selection. The officers of the Corporation shall be elected by the Board of Directors and shall serve two (2) year terms. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

5.3 Removal. Any officer, except the Chair, elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. The Chair shall be removed only upon a two-thirds vote of the Directors.

5.4 Vacancy . A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

5.5 Chair. The Chair of the Board shall preside at all meetings of the Corporation and shall perform such other duties and have such other powers as may be vested in the Chair by the Board of Directors.

5.6 Vice-Chair. The Vice-Chair shall perform such duties as may be assigned by the Chair or the Board of Directors.

5.7 Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever and deposit all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Chair or by the Board of Directors. The Treasurer shall be responsible for the administration and oversight of the Corporation's financial records, initiation of an annual audit, compliance with statutory reporting requirements, tax returns, and tax payments. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine.



5.8 Secretary . The Secretary shall keep the minutes of the meetings of the Board of Directors and shall oversee the keeping, preparation, and filing of all other records required by law or by the policies of the Board; be custodian of the corporate records, keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Chair or by the Board of Directors.

5.9 President and Chief Executive Officer . The President & CEO shall be the principal executive officer of the Corporation and shall exercise general supervision over the affairs of the Corporation, its officers, and personnel, consistent with policies established by the Board of Directors. The President & CEO may sign any deeds, mortgages, bonds, contracts, or other instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Corporation; and in general shall perform all duties incident to the office of the President & CEO and such other duties as may be prescribed by the Board of Directors. The President & CEO may authorize and approve expenditures and take such other steps he or she shall deem necessary to advance the purposes of the Corporation, provided such steps do not exceed the scope of authority granted him by the Board of Directors. In the absence of a President & CEO, the Chair shall perform these duties and such other duties as prescribed by the Board of Directors.

5.10 Assistant Treasurers and Secretaries . The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the Chair or the Board of Directors. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

5.11 Paid Officers/Management Company. The Board of Directors may employ or engage such person or persons, or entity or entities, including a President & Chief Executive Officer or management firm, as the Board of Directors deems necessary for the administration and management of the Corporation, and to pay reasonable compensation for the services performed and expenses incurred by any such person or persons, or such entity or entities.

5.12 Compensation . Elected officers shall not receive any stated salaries for their services as such, but by resolution of the Board of Directors expenses of attendance may be allowed for attendance at each regular or special meeting of the Board; however, nothing herein contained shall be construed to preclude any officer from serving the Corporation in any other capacity and receiving reasonable compensation therefor.

## **ARTICLE VI COMMITTEES**

6.1 Authority . (a) The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees of its members, each of which shall consist of two or more persons, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation; provided, however, that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the Corporation; amending the Certificate of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to



relieve the Board of Directors or any individual Director of any responsibility imposed upon it or him by law. (b) Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated and appointed by resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by the Chair as authorized by a like resolution of the Board. Membership on such committees need not be limited to Directors.

6.2 Term. Each member of a committee shall continue as such until the next annual meeting of the Directors of the Corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

6.3 Chair. One member of each committee shall be appointed chair by the Board of Directors and such chair must be a member of the Board of Directors.

6.4 Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

6.5 Manner of Acting. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

## **ARTICLE VII CONTRACTS, CHECKS, AND DEPOSITS**

7.1 Contracts. The Board of Directors may authorize any officer or officers, agent, or agents of the Corporation in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

7.2 Checks. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent, or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments may be signed by the Chair, Vice-Chair, or Treasurer.

7.3 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

## **ARTICLE VIII BOOKS AND RECORDS**

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

## **ARTICLE IX FISCAL YEAR**

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December.

## **ARTICLE X INDEMNIFICATION**

To the fullest extent permitted by law, any present or former director or officer of the Corporation, or other such persons so designated in the discretion of the Board of Directors, shall be indemnified



(including advances against expenses) by the Corporation against all judgments, fines, settlements, and other reasonable costs, expenses, and counsel fees paid or incurred in connection with any actual and threatened action, suit, or proceeding to which any such person may be made a party by reason of his/her being or having been such a director or officer. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of related expenses, to any employee or agent of the Corporation to the extent permitted by law. No indemnification or advance against expenses shall be approved by the Board or paid by the Corporation until after receipt from legal counsel of an opinion concerning the legality of the proposed indemnification or advance.

#### **ARTICLE XI AMENDMENTS TO BYLAWS**

These Bylaws may be altered, amended, or repealed and new bylaws may be adopted by (1) the Board of Directors at any regular meeting or at any special meeting of the Board; provided, however, that the number of directors shall not be increased or decreased nor shall the provisions of Article II, concerning the Members, be substantially altered, without the prior written approval of the Executive Members, or (2) by the affirmative vote of at least a majority of the Executive Members.

#### **ARTICLE XII**

**SEVERABILITY** Should any of the provisions of these Bylaws be, for any reason, declared invalid by a court of competent jurisdiction, such invalidity shall not affect any of the other provisions of these Bylaws.

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## **Antitrust Compliance Policy and Guidelines**

It is the policy of the Supplier Compliance Audit Network, Inc. (“SCAN”) to fully comply with the relevant antitrust laws as they pertain to its activities. This document establishes a mandatory Antitrust Compliance Policy and Guidelines to assist SCAN and its members in conducting SCAN meetings and activities within the limits established by applicable antitrust laws. Please remember that SCAN may be held liable for your activities at a SCAN meeting. In addition, actions by a SCAN member or officer that an outsider could reasonably assume were authorized by SCAN may be interpreted by the courts to be an act of SCAN, and therefore for which SCAN bears legal responsibility.

#### **Overview of the Antitrust Laws**

Associations by their very nature present potential antitrust issues. One reason is that in bringing competitors together into an association, there exists the means by which collusive action can be taken in violation of the antitrust laws. In addition, many of an association’s valuable programs could deal with subjects that are sensitive from an antitrust standpoint – statistical reporting, sharing of competitively-sensitive data, and standards and certification programs.

Under the U.S. antitrust laws, certain kinds of conduct are exclusively presumed to be unreasonable and therefore unlawful. Such conduct, which is considered to be unlawful per se, consists of certain practices which clearly restrain competition and have no other redeeming benefits.

Examples of such practices include:

- agreements to establish price (price fixing);
- agreements to refuse to deal with third parties (boycotts);
- agreements to allocate customers or markets;
- tie-in sales which require the customer to buy an unwanted item in order to buy the product desired.





SCAN members should refrain from any discussion which could provide the basis for an inference that the members agreed to take any action that might restrain trade. An “agreement” among association members in antitrust terms is a very broad concept – it may be oral or written, formal or informal, expressed or implied. A “gentleman’s agreement” to “hold the line” on prices is more than sufficient to evidence an unlawful conspiracy to fix prices.

The basic principle to be followed in avoiding antitrust violations in connection with association activity is: to see that no illegal agreements, expressed or implied, are reached or carried out through the association. Members should also avoid engaging in conduct which may give the appearance of an unlawful agreement.

There are both civil and criminal penalties for violating the antitrust laws. The penalties for violating the antitrust laws are severe. 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. Therefore, the association’s antitrust liability does not lay solely at the hands of government enforcement agencies.

### **Antitrust Compliance Guidelines**

The following are guidelines which can minimize the possibility that inferences of antitrust guilt can be drawn from SCAN meetings:

1. Meetings should be held only when there are proper items of substance to be discussed which justify a meeting.
2. In advance of every meeting, a notice of meeting along with an agenda should be sent to each member of the group; the agenda should be specific and broad topics should be avoided.
3. This Antitrust Compliance Policy and Guidelines should be reviewed at each meeting and a copy should be included in the meeting materials.
4. Participants at the meeting should adhere strictly to the agenda. In general, subjects not included on the agenda should not be considered at the meeting.
5. If a member brings up for discussion at a meeting a subject of doubtful legality, he or she should be told immediately the subject is not a proper one for discussion. This, of course, is the counsel’s responsibility, but in his or her absence, the SCAN staff representative or any member present who is aware of the legal implications of a discussion of the subject should attempt to halt the discussion. Should the discussion continue, despite protest, it is advisable that members leave the meeting.
6. Minutes of all meetings should be kept by SCAN, and they must accurately report what actions, if any, were taken.
7. Secret or “rump” meetings held at the time of the regular meeting should be strictly avoided.
8. The following topics are some of the main ones which should not be discussed at meetings of SCAN members:
  - Do not discuss current or future prices
  - Do not discuss what is a fair profit level
  - Do not discuss price adjustments
  - Do not discuss cash discounts
  - Do not discuss credit terms
  - Do not discuss allocating markets or customers
  - Do not discuss wage rates
  - Do not discuss refusing to deal with a corporation



- Do not discuss changes in industry production, capacity, or inventories
- Do not disparage other companies or their products or services
- Do not discuss action to refuse to deal with certain suppliers, customers, or other competitors, or to undertake actions that tend to exclude certain participants from the marketplace or deny them access to a significant competitive benefit available to others in the market

9. Areas of activity which should be carefully scrutinized from an antitrust standpoint are the following:

- Denial of association membership to an applicant
- Expulsion of an association member
- Membership qualifications
- Conduct of a statistical reporting or data sharing program
- Conduct of a standardization or certification program
- Denial of association services to non-members

### **Data Sharing Program**

One of the main objectives of SCAN is to develop an agreed-upon supply chain security audit template and an audit sharing network in order to increase efficiencies and lower costs for both suppliers and importers. Information sharing programs can be competitively neutral or pro-competitive by enhancing efficiencies and improving public safety. However, associations must be cautious that information sharing programs do not facilitate anticompetitive harm by advancing competitors' ability to collude. The more competitively sensitive the information, the greater the risk.

Any data-sharing program should adhere to the following general guidelines:

1. Disaggregated, confidential and/or competitively sensitive information or data should be collected only by authorized persons and in compliance with advance legal guidance from counsel. Using an independent third party to receive and aggregate or process competitively sensitive information or data is preferred.
2. The sharing of competitively sensitive data among SCAN members may occur only in compliance with advance legal guidance from counsel.
3. Audit reports and corrective action plans made available to members or other competitors will be redacted to remove information linking a specific member to a specific supplier/factory.
4. Other competitively sensitive information should not appear in audit reports or be exchanged with members or competitors, including, but not limited to:– Information relating to individual company prices, margins, discounts, or credit terms;– Information that could affect current or future prices, including costs, volume, capacity, inventories, and sales; and– Trade secrets and information regarding individual company plans about product design, production, research and development, sales, distribution or marketing, including proposed territories or customers.
5. Decisions regarding whether and under what terms or conditions to do business with a supplier/factory are to be made by each member in its own unilateral company discretion, and should not collectively be agreed upon by members.



## Membership Application

Company Name:

Main Address:

City:

State:

Zip Code:

Main Phone Number:

Website:

Company Type:

Industry:

CTPAT Member: YES      NO

CTPAT Tier:

### **Company Contact Information**

Primary Contact Name:

Title:

E-mail:

Phone Number:

Secondary Contact Name:

Title:

E-mail:

Phone Number:

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Please check, if billing contact is the same as above:

Billing Contact Name:

Title:

E-mail:

Phone Number:



# Membership Application

## Membership Fees

Executive Membership

Flat Rate Membership: \$2,500

Affiliate Membership

Flat Rate Membership: \$3,000 USD

Associate Membership

Flat Rate Membership: \$5,000 USD

## Membership Type

Please select appropriate Membership Type:

Executive Membership

Associate Membership

Affiliate Membership

## Membership Application Agreement

Applicant agrees to be bound by the terms of the attached membership agreement as well as the SCAN bylaws, and antitrust compliance policy and guidelines.

### Applicant

To be filled out by the Approved Representative

Signature:

Name:

Title:

Company:

Date:

### SCAN Association

To be filled out by the SCAN Chairman

Signature:

Name:

Title:

Company:

Date:

\_\_\_ I give the SCAN Association permission to display my corporate logo on their website, and in various presentation materials

*\*Please send a high-resolutions logo in with your membership application*

\_\_\_ I give the SCAN Association permission to reference my company's name in prospect conversations, presentations and social media announcements

Please submit the completed application to [memberservices@scanassociation.com](mailto:memberservices@scanassociation.com)