



Policy Owner/Sponsor: Legal Compliance  
Review Date by Policy Review Committee: May 2017  
Supersedes: None

**Effective Date: JUNE 1, 2017**

[To Be Completed by Policy Review Committee]

## Antitrust Policy

---

### PURPOSE

---

Charles River Laboratories International, Inc. and its subsidiaries (together, the “Company”, “CRL” or “we”) are committed to fair competition and business practices. It is our policy that we will, without exception, comply with all applicable laws and regulations in conducting our business. Each employee, officer, and director of the Company is expected to abide by this policy. When carrying out Company business, employees, officers and directors must avoid any activity that violates the antitrust and competition laws or regulations of any country or region in which we conduct business.

---

### POLICY

---

This policy sets forth the types of activities that, if not done in an appropriate manner, could implicate antitrust and competition laws or regulations. It is important our business practices and activities do not give the appearance of an attempt to engage in unfair competition. Because of the complexity of antitrust statutes, employees, officers and directors of the Company should immediately seek the advice of the Corporate Legal Department if they are confronted with a situation that they believe may violate the antitrust laws.

Although not a complete list, the examples listed below set forth certain actions that in the past have been found to violate antitrust and/or competition statutes. Accordingly, exercise caution and consult with the Corporate Legal Department before engaging in the following conduct.

#### Interactions with Competitors

The greatest potential for antitrust problems arises from relations with competitors, i.e., those firms that produce or sell the same goods or services as we do. Any type of agreement, understanding, or arrangement among competitors, whether written or oral, formal or informal, express or implied, that limits or affects competition is subject to antitrust review and can in extreme cases result in serious criminal penalties for both CRL and the employees participating in the unlawful conduct. Employees, officers and directors must decide, independently of competitors, which products are to be produced, in what quantities, which services to offer, to whom they will sell, at what prices, and the terms and conditions of sale. Actual or potential competitors are not permitted to act in concert, including signaling

---

---

to one another, or agree among themselves, to fix, set or control any of the aspects just described, except in rare circumstances and with regulatory approval.

We do business with firms that are our competitors with respect to some services and/or products but are also our customers or suppliers with respect to those same or different services and/or products. It is important when interacting with those firms to clearly distinguish between (1) customer-supplier interactions on the one hand, where discussions of prices and terms are a necessary aspect of the supply relationship, and (2) competitor-to-competitor discussions on the other, where such discussions are likely to raise suspicion. CRL employees should avoid letting a legitimate customer-supplier discussion spill over into other topics involving competition between the firms, and should take prudent measures to ensure that information exchanged during such discussions and communications is shared only with the necessary individuals and is utilized only for appropriate purposes.

In an antitrust suit, an illegal agreement can be proven simply by showing that competitors met and discussed business conditions and then prices increased, or one competitor chose not to bid on a contract against the other competitor with whom it met. Even criminal convictions may be based on indirect or circumstantial evidence of an agreement. Therefore, you should be extremely careful to avoid one-to-one meetings or telephone conversations with competitors. If you find yourself unavoidably in such a situation, it is wise to make it clear that you will not discuss anything related to prices or business practices. Similarly, in interactions with firms on a customer or supplier basis that are also CRL's competitors for other services, it is important to make clear that you will not discuss competitive topics if the other party attempts to move the discussion outside supplier-customer context.

Moreover, any attempt to reach such agreements, understandings, or arrangements may be subject to antitrust review even if it is unsuccessful. Even seemingly innocent conversations with employees or representatives of competitors can support an accusation of an unlawful agreement with that competitor

To avoid an appearance of collusion or improper conduct, we must not engage in public or private discussions or agreements with an actual or potential competitor about the following matters with respect to areas of competitive overlap (unless advised or granted permission to do so by the Corporate Legal Department and subject to the discussion above regarding competitors who are also customers):

- Pricing policies, discounts, margins, rebates, and other terms and conditions of sale;
- Pricing practices or trends of suppliers, wholesalers, distributors, or customers;
- Bids, the intent to bid, or bid procedures;
- Projected profits, profit margins, market shares, or product or service concentrations within an identified market;
- Costs and projected costs;
- Business, marketing and promotional plans, including product or service launch dates or controls or limitations on advertising initiatives;
- Customer or supplier selection, rejection or termination;
- Whether to sell to or buy from particular third parties;
- Current or potential research activities;
- Credit terms;
- Freight charges or royalties;
- Employee compensation and employee "poaching" practices.
- Allocating sales territories, customers, customer lists, or a particular customer's business;

- 
- Controlling the rate of production or market supply of any product or raw materials essential to the completion of any product; or
  - Controlling or attempting to control or delay the production or market supply of any comparable product, analogue or perceived substitute for a product with potential competitors (i.e., “pay for delay” or “reverse payment” provisions).

If you are asked by a competitor to enter into an illegal or questionable agreement or to share information about our Company’s practices, you should take the following actions:

1. Inform the party that (a) such discussions may be illegal, resulting in potential criminal penalties, including jail and/or fines and (b) you will not discuss this subject;
2. Immediately leave the meeting, noting your departure in any meeting minutes; and
3. Immediately inform your supervisor and the Corporate Legal Department about the incident, and make a detailed note for the file.

### **Interactions with Customers**

In addition to interactions with competitors, our actions with customers could also expose the company to antitrust risk. Accordingly, exercise caution and consult with the Corporate Legal Department before engaging in the following conduct with our customers or potential customers:

- Requiring multiple different products to be purchased in order to obtain a discount (note: this is different from creating incentives for customers to buy multiple products at discounted rates that are above our costs, which is a generally acceptable practice);
- Entering into an agreement in which we limit a customer’s right to purchase goods and services from others in circumstances in which the customer’s purchases and ours’ account for substantial portions of the overall relevant markets; or
- Entering into agreements or understandings with distributors which establish the prices that the distributor will charge its customers.

In addition, employees should never:

- Require a customer to buy from us before buying from the customer (i.e., reciprocal dealing);
- Require a customer to purchase a less popular product or service in order to be eligible to purchase a more popular product or service (i.e., tying);
- Induce customers to terminate, breach, or violate contracts with competitors; or
- Bribe customers or suppliers to help our business interests or to hurt competitors.

Employees, officers and directors should avoid disparaging our competitors or our competitor’s products or services with customers. Statements concerning competitors or their products or services that cannot be substantiated may violate unfair competition statutes or unfair trade practice acts. Because of the complexity of the antitrust laws, whenever we are engaged in pricing negotiations or bid situations, it is imperative to not deviate from our existing pricing standards (including permissible discounting bands) and, when in doubt, contact the Legal Department for additional guidance.

---

### **Reporting Conduct in Conflict with this Policy**

Employees, officers or directors who witness or are otherwise aware of conduct violating this Policy should contact their supervisor, local Human Resources Representative, Corporate Human Resources, or the Corporate Legal Department. Employees may additionally report the alleged violation by calling the Charles River Helpline.

### **NON-COMPLIANCE**

All policies require the cooperation of all employees to be successful. Subject to local laws, any employee found to have materially violated this Policy may be subject to disciplinary action, up to and including termination of employment.

### **GENERAL**

The Company reserves the right to amend or terminate this Policy at any time as the Company deems necessary.

---

## **SCOPE**

All directors, officers and employees of Charles River Laboratories International, Inc. (and its affiliates and subsidiaries).

---

## **RESPONSIBILITIES**

Any questions related to the interpretation of this Policy and/or a subject matter included in this Policy shall be directed to the Corporate Vice President of Legal Compliance.

---

## **RELATED DOCUMENTS**

Code of Business Conduct and Ethics

---