LSTA INC.

ANTITRUST GUIDELINES

The antitrust laws are designed to ensure that business is conducted in an open, competitive atmosphere and that competition is not unreasonably restricted. As a trade association, LSTA promotes and supports robust competition in a complex industry that at times requires collaborative efforts to contribute to a transparent, efficient, and well-functioning US corporate loan marketplace. Bringing industry participants together to collaborate can create antitrust risk if those efforts are misconstrued or misinterpreted as inferring the existence of an agreement that may restrain competition. It is thus important to be mindful of these risks and take steps to avoid even the appearance that LSTA or its members have sought to engage in conduct that may violate the antitrust laws.

The antitrust laws are written do not specify the exact conduct that would be considered a violation. This guidance distills the key principles that LSTA and its members should follow. You should review these guidelines periodically and consult with the LSTA General Counsel if you have questions.

Why You Should Review and Follow This Guidance

Federal antitrust statutes originated with the Sherman Antitrust Act and include the Clayton, Robinson-Patman, and the Federal Trade Commission acts. States across the country have adopted similar competition laws. These laws make monopolization and unreasonable restraints of trade illegal. Their violation may be a felony punishable by large fines and imprisonment, and a number of executives guilty of antitrust crimes have been sentenced to jail.

In addition, corporations and other persons injured by violation of federal and many state antitrust laws may recover treble damages and all their attorney's fees. As a result, bringing antitrust lawsuits is encouraged, and accused individuals and corporations, whether innocent or guilty, are exposed to the aggravation, inconvenience and costs of defense. It is thus imperative to avoid the appearance of reaching any agreement to violate the antitrust laws, such as an agreement to exchange confidential and commercially sensitive information, price fix, allocate markets, or refuse to deal with certain market participants or only deal with market participants on unfavorable terms. The exchange of confidential price, product, or cost information could give rise to an inference of such an arrangement that could spark investigations and potential litigations.

What Is Prohibited

The antitrust laws generally prohibit agreements to:

- Fix prices (for example, the compensation a dealer receives for its services, including commissions, interest rates, fees, and other accommodation).
- Divide markets or customers.
- Boycott or jointly refuse to deal with customers or other financial institutions or agree only to deal on certain specified terms (for example, adopting certain covenants or agreed upon margin levels or rates).
- Arrive at any understanding, express or implied, respecting any anticompetitive concert of action.

An anticompetitive agreement need not be formal or even express and can be proven by circumstantial evidence. Thus, if such circumstances as the exchange of confidential pricing plans or other confidential information permit the inference of a tacit understanding to "act in concert" or "follow the leader," this could give rise to antitrust scrutiny.

The LSTA is committed to ensuring that none of its activities, as carried out by its members, even remotely suggests antitrust misconduct. Keep in mind the following guidelines when participating in LSTA events and activity.

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What You Should Avoid

At any LSTA event, including meetings, roundtables, and all social events:

- Do not agree — or engage in any form of conduct from which it may be argued that you agreed — to fix commissions, interest rates, fees, or any other element of the "price" or terms of transactions.
- Do not share confidential information concerning your prices or fees on matters such as costs that affect your price.
- Do not agree to treat a particular individual or group of customers in one set manner or to boycott or stop dealing with certain kinds of customers.
- Do not allocate or divide customers or territories.
- Do not make announcements concerning what your firm may or may not do concerning the adoption of any particular practice or terms for dealing with certain classes of customers.
- Do not disclose confidential, proprietary, or competitive information on your institution's sensitive corporate strategies.

What You Can Do

- You may discuss common problems and challenges of a general, administrative, or logistical nature as long as there is a procompetitive purpose and not to encourage uniform action and the elimination of competition with respect to future transactions. It is permissible to discuss deteriorating or problematic areas of the market.
- You may communicate with respect to a position vis-à-vis government agencies or interacting with regulators. Be careful that you do not suggest "standing up" to groups of competitors or to anyone except the government.
- You may formulate standard agreements, guidelines, and procedures. Whether members elect to use these tools must be an independent decision. Members cannot agree that these standards will be the only terms on which they will deal with others.

Best Practices for Meetings

- Have a member of LSTA's senior staff present at member gatherings. For discussions of more sensitive subjects, LSTA may ask its counsel to monitor meetings; members are also free to have their own counsel monitor meetings.
- Prepare an agenda for each meeting of a committee or other group of members that clearly sets out the subjects for discussion. The agenda should be closely followed; if the group would like to discuss a new subject, the LSTA staff member can (after consideration of the topic and obtaining legal advice where appropriate) arrange a new meeting at which that subject will be on the agenda.
- Where feasible to do so, substantive meetings, whether in person, telephonic, or virtual, should start with the following "Antitrust Compliance Reminder" either being read by the LSTA representative or having the statement included in writing in the materials for the meeting such as in an agenda:

  > *It is the policy of LSTA to comply with all federal and state antitrust laws. It is important that the activity of LSTA, including this meeting, be conducted so as to avoid the appearance that any participants reached any formal or informal agreements that could restrain competition. All participants are reminded to refrain from any discussion that suggests they agreed, or will agree, to take any action that could impair their independent decisions about how they will compete in the marketplace. Such discussions should be avoided at formal meetings and informal gatherings*.

- Where practicable, make sure the LSTA staff member keeps notes that accurately reflect the attendees (in person and by phone) and the content of the meeting. A copy of the notes will be kept in LSTA files; members should not keep their own personal minutes of meetings. If impracticable to take notes, the agenda or notice describing the purpose and contents of the meeting may suffice.

- Meeting handouts should be reviewed in advance by LSTA staff. A copy of all handouts should be maintained in LSTA's files.

Best Practices for Survey Activity

Surveys can be procompetitive as their results can enable market participants to make better-informed, independent decisions. However, the sharing of confidential information—such as current prices, business plans, costs, or other information that is commercially sensitive and not publicly available—could raise questions as to whether the exchange suggests an agreement to restrain trade. It is thus important for LSTA to observe the following best practices:

- Any LSTA survey activity is for purposes of assisting LSTA members in their independent decisionmaking and is consistent with LSTA's purpose of ensuring that the U.S. corporate lending marketplace operates in a fair, liquid, and efficient manner. Survey results should not be used in coordination with other survey participants in any way that would suggest or give the appearance of an agreement to restrain trade.

- Participation in LSTA surveys is voluntary. Information in response to surveys should be directed to LSTA representatives only and those responses are confidential and cannot be shared with LSTA members. LSTA members should not discuss their survey submissions with other LSTA members.

- Survey results are to be prepared and disseminated in such a way that (i) ensures the identity of survey participants is anonymous; (ii) the information collected and disseminated is historical as opposed to forward-looking on competitively sensitive terms, such as specific prices, interest rates, or business plans; and (iii) results are aggregated such that no one participant makes up a significant share of any given result and there are a minimum number of respondents for each result to ensure that results can be properly aggregated and anonymized.

- LSTA's General Counsel should review in advance surveys and reports from surveys that in any way relate to commercially sensitive terms, such as specific prices, interest rates, business plans, investment strategies, or employment topics.

Important Reminders

- Each member is free to decide for itself whether or to what extent it will share information and adopt or implement any recommendations, standard documents, or best practices. Requests to share information are voluntary and members cannot be "punished" for declining to share any information.

- The LSTA's General Counsel should be consulted in connection with any proposals related to membership eligibility or expulsion of a member, creation of a code of ethics or other forms of self-regulation, or the development of joint statistical or cooperative research programs.

- It is your responsibility, as a member of the LSTA, to avoid the appearance of improper conduct. Accordingly, all members of the LSTA must ensure their own compliance with these guidelines and affirmatively shut down discussions that might inadvertently stray into improper topics and immediately report them to LSTA's General Counsel.

Last Updated: September 2025