



Guidelines for Operational Antitrust Compliance

The following are policies for compliance with the antitrust laws which address the most common antitrust problems that Genesco's operating divisions are likely to encounter day to day. While they are of more direct relevance to the wholesale divisions, retail operations are implicated in several key respects. The guidelines do not attempt to be comprehensive, either in identifying potential problems or in offering solutions. The legal department is available to discuss any questions or concerns that may arise.

1. Price fixing -- agreeing with either competitors or customers on any aspect of pricing -- is absolutely illegal. To avoid even the appearance of a violation of the law in this area, Genesco employees and agents should never discuss pricing with the Company's competitors or with anyone outside the Company, at any time for any purpose, or permit any such discussion to take place in their presence, no matter how casual the conversation may be. Trade association meetings -- a common source of price-fixing allegations -- should occur only in the presence of association counsel, and minutes reflecting scrupulous compliance with the law should invariably be taken.
2. Market allocation agreements with competitors are never permitted. Territorial and/or customer limits imposed on the next level of distribution -- i.e., attempts to restrict where or to whom wholesale accounts can sell -- are usually illegal. Legitimate sales agency agreements limiting territories and customers are acceptable, but should be reviewed in advance by the Legal Department.
3. Unilateral, independent decisions not to do business with a wholesale account are permitted under federal antitrust law. Agreements not to do business are unlawful under most circumstances. Agreements are sometimes inferred by courts from the circumstances of the termination or refusal to deal. Consequently, these decisions should be reviewed in advance of their implementation by the Legal Department.
4. It is acceptable to listen to complaints or requests from one wholesale customer regarding relationships with other actual or potential customers. It is unacceptable to respond with any assurance or agreement with respect to an intended course of action, or in any way that could be construed as agreement to cease or avoid doing business with the subject of the complaint. Evidence from which an unlawful agreement might be inferred could eliminate the ability to terminate or refuse to deal with an undesirable account.
5. Reciprocal buying arrangements -- buying a supplier's goods on the condition of selling goods to that supplier -- are illegal. Genesco's purchases from a customer should not be discussed in the context of sales to the same customer, or vice versa, even though different divisions of both parties may be involved.
6. Tying arrangements -- requiring the purchase of one product as a condition of selling another -- are illegal.
7. Selling the same products to different wholesale customers at different prices at about the same time, giving discriminatory rebates or other indirect pricing concessions and offering promotional assistance, services and facilities to some wholesale customers and not to others will violate the Robinson-Patman Act unless an exemption or defense is available.

Any program or practice of this sort should be reviewed by the Legal Department before it is implemented.

8. The Robinson-Patman Act also prohibits a purchaser from knowingly inducing or receiving an unlawful discriminatory price from a seller. Thus, Genesco's retail divisions should not ask for or accept purchase prices that they know are unlawfully discriminatory.