

MORTGAGE INDUSTRY STANDARDS MAINTENANCE ORGANIZATION, INC. (MISMO) ANTITRUST POLICY

As adopted by the MISMO Board of Directors
August 5, 2004

Policy of Full Compliance

MISMO develops, promotes and maintains, through an open process, voluntary electronic commerce standards for the real estate finance industry. As a standards setting organization involving the participation of competitors, MISMO is committed to full compliance with all laws and regulations and to maintaining the highest ethical standards in the way it conducts its operations and activities. MISMO's commitment includes strict compliance with federal and state antitrust laws. MISMO is concerned both with collective action by competitors and with keeping its standards from being anticompetitive. MISMO's Intellectual Property Rights Policy (IPR Policy) covers, among other matters, antitrust issues arising from the use of intellectual property rights in standards. This Antitrust Policy addresses issues related to collective action. This Antitrust Policy and the IPR Policy are a part of and governed by MISMO's Policies and Procedures. MISMO participants are encouraged to review the Policies and Procedures at www.mismo.org.

Responsibility for Antitrust Compliance

Compliance with the antitrust laws is a serious matter. The main purpose of the antitrust laws is to prevent collective action by competitors to restrain trade. Trade associations, which are by definition collections of competitors, suppliers, vendors and customers, receive special scrutiny from the antitrust enforcement agencies. MISMO wants to follow prudent approaches to antitrust compliance in order to avoid for itself and its participants the harsh criminal penalties, the high costs of defending civil suits, and the devastating impact of private treble damage actions associated with antitrust violations. However, representatives of Subscribers and non-Subscribers and other persons that participate in MISMO's activities should recognize that criminal antitrust enforcement is directed at the individuals involved even where they represent a company or other entity. Individuals can be prosecuted and sentenced to financial penalties and prison terms for acts they commit on behalf of their company, employer, or association. Although MISMO has addressed antitrust issues through this Antitrust Policy, the organizations and individuals that participate in MISMO's activities bear the ultimate responsibility for assuring that their actions, and the actions of any persons under their direction, comply with the antitrust laws.

Procedures and Conduct

The following guidelines for the conduct of meetings of MISMO's Board of Directors, Subscribers, Governance Committee, Commercial Steering Committee, and other committees and workgroups are designed to assist MISMO and its participants in preventing even the appearance of engaging in activities that violate the antitrust laws. These procedures apply to meetings held in person or via conference call or other electronic means.

A. NOTICE, AGENDA AND MINUTES

Prior to a meeting, timely notice should be given to those organizations and individuals that have qualified to be invited to the meeting under MISMO's Policies and Procedures and each such person

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shall have access to the draft agenda identifying the subject matter of the meeting. This agenda will alert participants to the business to be considered and enable them to prepare for a productive meeting. Providing the agenda in advance can also alert meeting participants and staff to potentially sensitive subjects from an antitrust perspective, furnishing them an opportunity to seek advice of counsel prior to the meeting. The draft agenda should be modified as necessary and then approved by the chair and staff prior to the meeting. Once the agenda is approved, it should be followed.

Minutes should be kept of all meetings. Minutes are the official records of these meetings, and ordinarily they comprise the principal contemporaneous evidence of what occurred at the meetings. They are one of the first types of documents that litigants and investigators will request.

Minutes of the meetings of the MISMO Board of Directors shall be prepared by the MISMO Secretary or his designee. Minutes of all other meetings shall be prepared by MISMO staff, the meeting chair or a designee of the meeting chair announced at the meeting and shall be reviewed by the Executive Vice President of MISMO or his designee before being put in final form.

It is MISMO's policy that participants should not generate and circulate other summaries related to any meeting. Participants are asked instead to rely on the official minutes and to participate in the review and approval of those minutes.

B. DISCUSSION GUIDELINES

The limits of permissible discussion at formal meetings, roundtable discussions and even in conversation at social functions related to meetings cannot be precisely defined in the abstract. However, unless the General Counsel is alerted in advance and approves the proposed discussion in advance, a prudent approach requires that each participant **shall not**:

- Agree with another participant - or engage in any form of conduct from which it may be argued that participants agreed - to fix prices of any products that its company offers.
- Share information concerning its current or future prices or costs, such as operational costs, that affect its price.
- Agree with another participant to treat a particular individual or group of customers, suppliers or vendors in one set manner or to boycott or stop doing business with them.
- Agree with another participant to allocate customers or territories.
- Complain about inputs or product obtained from a particular vendor or class of vendors, or refuse as a group to continue purchasing from those vendors.
- Agree with another participant to limit output of any products that the participant or other participants provide.
- Agree with another participant to limit research, development and innovation of any other participants.
- Fail to give a disclosure required under the MISMO IPR Policy.

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Other discussion topics are not necessarily free from risk. Because it is difficult to specify what actions may present risks under the antitrust law's "unreasonable restraint of trade" standard, counsel should be consulted prior to discussion of any topics that could have the effect of reducing competition.

C. CONDUCT OF MEETINGS

Meetings should be conducted in a manner such that all participants are afforded an opportunity to present their views. All opinions should be considered before actions are voted upon. The chair of the meeting should undertake this responsibility.

Each meeting should begin with an acknowledgement of MISMO's antitrust policy in a way reasonably calculated to establish awareness among the participants.

MISMO staff and the meeting chairs have the responsibility to terminate any discussion or, if necessary, the meetings themselves if the discussion is diverted toward topics that may raise questions under the antitrust laws. The meeting chairs should develop and maintain their familiarity with basic antitrust principles and this Antitrust Policy.

CONCLUSIONS

Whenever competitors meet, the potential for antitrust compliance issues arises. MISMO has established its Policies and Procedures with the object of not only avoiding any violation of the antitrust laws, but also avoiding any activities that might give the appearance of illegality or that might lead to investigation or litigation.