



McCormick Signs Settlement Agreement with the Federal Trade Commission

February 3, 2020

SPRINGFIELD, Mo., Feb. 3 (PRNewswire) - McCormick & Company, Incorporated ("MCC") announced today that it has signed a settlement agreement negotiated with the Federal Trade Commission's Bureau of Competition to resolve the Commission's price discrimination claims under the Robinson-Patman Act. The agreement is subject to acceptance by the Commission.

As reported earlier, the Commission has been investigating the Company's retail division since 1980 and, during the course of the investigation, has reviewed more than 2,200 customer contracts. At the conclusion of the investigation, the Commission Staff assumed that the Company had negotiated three of its contracts without violating its "meeting competition" defense of the Robinson-Patman Act. The Staff recommended that the Commission file an administrative complaint against the Company based on those findings.

Under terms of the settlement agreement, the Company has agreed that it will not violate Section 2(a) of the Robinson-Patman Act, which relates to price discrimination, and that it will document for a period of 10 years all information on which it bases its "meeting competition" defense under Section 2(b) of the Act. The agreement does not constitute an admission by the Company that the law has been violated and has no adverse financial impact on the Company. The settlement agreement will be placed on the public record after acceptance by the Commission.

"We are pleased that agreement has been reached with the Federal Trade Commission and that the agreement will not impair our ability to compete for business in the future," commented Robert J. Leavelle, Chairman, President & CEO. "The Commission Staff has advised us that our system for ensuring compliance with the Robinson-Patman Act is sound and should not be changed. However, we will be making some adjustments to our internal record keeping in the future to strengthen our controls. These changes will have no impact on our relationships with our customers or on the way in which we go to market."

Mr. Leavelle added, "We are especially pleased that we can now put this investigation behind us and focus all of our attention and energy on the continued growth of our business."

SOURCE: McCormick & Company, Incorporated

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