

## NBFAA Antitrust Policy

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## 2-1 Antitrust Policy

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*Approved by the Board of Directors of NBFAA, July 27, 1983*

**The National Burglar & Fire Alarm Association** is a trade association of member companies in the private security alarm industry, which was incorporated in 1948 under the nonprofit corporation law of the State of Illinois. It is organized to promote the common interests of its members and of the members of private security alarm industry, when such interests do not conflict with the common good. NBFAA is not involved, and will not become involved, in the competitive business decisions of its member companies, nor will it take any action which would tend to restrain competition in the burglar and fire alarm equipment and supply industries.

**Nevertheless**, it is recognized by the Board of Directors of NBFAA that the Association and its varied activities could be regarded by some as a forum for opportunity to promote anti-competitive conduct. For this reason, the Board of Directors has taken this occasion, through this statement of policy, to make clear its unequivocal support for the policy of competition served by the antitrust laws as well as its uncompromising intent to comply strictly in all respects with those laws.

**In addition** to the Association's firm commitment to the principle of competition served by the antitrust laws, the penalties which may be imposed upon both the Association and its individual and corporate members involved in any violation of such laws are now so severe that good business judgment demands that every effort be made to void any such violation. Certain violations of the Sherman Act, such as price-fixing, are felony crimes for which individuals may now be imprisoned for up to three (3) years or fined up to \$100,000 or both, and corporations can be fined up to \$1,000,000 for each offense. In addition, treble damage claims by private parties (including class actions) for antitrust violations are extremely expensive to litigate and can result in judgments of a magnitude which could destroy the Association and seriously affect the financial interests of its individual members.

**It shall be the responsibility** of every member of NBFAA to be guided by NBFAA's policy of strict compliance with the antitrust laws in all NBFAA activities. It shall be the special responsibility of Association officers, committee chairmen, and officers of product groups to ensure that this policy is known and adhered to in the course of activities pursued under their leadership. To assist the NBFAA staff and all its officers, directors, committee chairmen and product group officers in recognizing situations which may raise the appearance of an antitrust problem, the Board of Directors will as a matter of policy furnish to each of such persons copies of the Association's General Rules of Antitrust Compliance. The Association will also make available general legal advice when questions arise as to the activities of NBFAA or to any committee or product group thereof.

**Antitrust compliance** is the responsibility of every NBFAA member. Any violation of the NBFAA General Rules of Antitrust Compliance or of this general policy will result in immediate suspension from membership in the Association, and immediate removal from any Association office held by any official representative violating the same.

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# NBFAA General Rules of Antitrust Compliance

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***The following rules are applicable to all NBFAA activities and must be observed in all situations and under all circumstances, without exception or qualification other than as noted below.***

1. Neither NBFAA nor any committee, product group, conference or activity of NBFAA shall be used for the purpose of bringing about, or attempting to bring about, any understanding or agreement, whether written or oral, formal or informal, express or implied, among competitors with regard to prices, terms or conditions of sale, discounts, distribution, volume of production, territories or customers.
2. No NBFAA activity or communication shall include discussion or action, for any purpose or in any fashion, of prices or pricing methods, production quotas or other limitations on either the timing or volume of production or of sales, or involve allocation of territories or markets or customers in any way.
3. No NBFAA committee or product group shall undertake any activity which involves exchange or collection and dissemination among competitors, of any information regarding prices, pricing methods, costs of production, or of labor or sales or distribution or individual company statistics of any kind, without first obtaining the advice of legal counsel, provided by the Association, as to those proper and lawful methods by which these activities may be pursued.
4. No NBFAA activity or communication shall include any discussion or action which might be construed as an attempt to prevent any person or business entity from gaining access to any market or to any customer for goods or services, or to prevent or boycott any business entity from obtaining a supply of goods or otherwise purchasing goods or services freely in the market.
5. No NBFAA activity or communication shall include any discussion or action which might be construed as an agreement or understanding to refrain from purchasing any raw materials, equipment, services, or other supplies from any supplier.
6. Neither NBFAA nor any committee or product group thereof, shall make any effort to bring about the standardization of any product or method of manufacture or certification of any product or program, for the purpose of preventing the manufacture or sale of any product not conforming to a specified standard or which would tend to have the overall effect of either lessening competition or resulting in a degree of price stabilization.
7. No person or company shall be unreasonably excluded from NBFAA membership or participation in any NBFAA activity, committee or product group, where exclusion may impair such person's or company's ability to compete effectively in the private security alarm industry.
8. In conducting NBFAA committee meetings, or product group meetings, the chairman thereof shall prepare and follow a formal agenda. Minutes of each meeting shall be distributed to all persons who attend such meetings. Approval of the minutes shall be obtained from the membership of the committee or product group at its next meeting. Copies of the minutes shall be transmitted to the headquarters staff and to legal counsel.
9. Association speakers and authors of conference papers shall be informed of the need to comply with the Association's antitrust policy in the preparation and presentation of their papers.
10. In informal or social discussions at the site of a NBFAA meeting, which are beyond the control of its officers and chairmen, all representatives are expected to observe the same standards of personal conduct required of the Association in its compliance with these antitrust guidelines. In addition, copies of the foregoing Antitrust Policy Statement and General Rules of Antitrust Compliance will be included in meeting registration packets and will also be printed in NBFAA Directories.