

# NAED

## MEETING PROCEDURES AND ANTITRUST GUIDELINES

For the National Association of  
Electrical Distributors, Inc.  
Members, Directors, Officers and Staff

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## **FOREWORD**

The purpose of the NATIONAL ASSOCIATION OF ELECTRICAL DISTRIBUTORS, INC. (NAED) is to foster, promote, improve, further and enhance high standards of efficiency within the electrical and electronic apparatus and supplies industry, and to do all such lawful acts and things necessary to further the best interests of the industry.

As a trade association, NAED is subject to both federal and state antitrust laws. As a matter of law, a trade association and its members stand in the same position under the antitrust laws as any other group of persons or firms. Thus, the legality of association activities is judged by the same standards as are applied to other entities.

NAED therefore recognizes the need to be constantly vigilant to assure full compliance in all respects with the antitrust laws, and in furtherance thereof, hereby endorses the basic principles contained in this guide for members and staff of the association.

## **STATEMENT OF POLICY**

The purpose of the antitrust laws is to preserve a competitive economy in which free enterprise can flourish. The Association's long insistence upon full compliance with all legal requirements in the antitrust field is based not only on a desire to stay within the bounds of the law, but also on the Association's conviction that the preservation of a free competitive economy is essential to the welfare of the Association, the industry it represents, and the country.

This statement is intended to codify the Association's existing policy and to provide guidelines for compliance with the law.

The Association unequivocally supports the policy of competition served by the antitrust laws and reaffirms its uncompromising intent to comply strictly in all respects with those laws.

It is the responsibility of every member and staff person of NAED to be guided by NAED's policy of strict compliance with the antitrust laws in all NAED activities. It shall be the special responsibility of Association officers and committee chairmen to insure that this policy is known and adhered to in the course of activities pursued under their leadership.

To assist the staff and all officers and committee chairmen in recognizing situations which may bear the appearance of an antitrust problem, the association shall furnish to each of such persons a copy of this Meeting Procedures and Antitrust Guidelines for NAED members and staff and will make available general legal counsel when questions arise as to the manner in which the antitrust laws may apply to the activities of NAED or to any committee of NAED.

Matters of mutual interest to the members of a trade association freely discussed are necessary for the successful operation of the association. It is important, however, to recognize and to observe the limitations imposed by law on these discussions.

Broad areas of conduct that are considered as being in restraint of trade and illegal are set forth in the antitrust laws. The broad language of the antitrust laws makes it important to keep in mind that all communications and discussions between competitors or between seller and customers, which might be considered anti-competitive, are often the basis from which the courts infer antitrust violations. The following is a helpful guide to the association and to its members in determining the areas covered by the antitrust laws and for compliance therewith.

## **ANTITRUST GUIDELINES**

### **Meetings**

1. All Association meetings shall be regularly scheduled. Secret or “rump” meetings shall be strictly avoided.
2. In conducting NAED Board of Director meetings, the chairman thereof shall prepare and follow a formal agenda which shall be reviewed in advance by legal counsel.
3. Minutes of all Board of Director meetings shall be kept by a designated party who shall accurately portray what actions were taken at the meeting in question. Minutes of all Board of Director meetings shall be approved by legal counsel and shall be submitted to the Board of Directors for approval at its next meeting.
4. Legal counsel shall be present at all meetings of the Association’s Board of Directors and at any other meetings at which sensitive issues may be discussed.
5. In informal or social discussions at the site of an NAED meeting, which are beyond the control of its officers and chairmen, all members and staff are expected to observe the same standards of personal conduct required of the Association in its compliance with these antitrust guidelines.
6. A representative or staff member of NAED shall be present at all NAED meetings.

### **Topics of Discussion**

1. NAED activities or communications shall include discussion or action on matters of general interest to the industry.

2. No NAED activity or communication shall include discussion or action, for any purposes or in any fashion, of prices or pricing methods, production quotas or other limitations on production or sales.

3. No NAED activity or communication shall include discussion or action which might be construed as an attempt to prevent any person or entity from gaining access to any market or to any customer for providing goods or services, or to prevent or boycott any business entity from obtaining a supply of 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.

4. No NAED activity or communication shall include discussion or action which might be construed as an agreement or understanding to refrain from purchasing materials, equipment, services or other supplies from any supplier.

5. No NAED activity or communication shall include discussion or action which would tend to restrict competition in any matter between members or within the industry generally.

### **Membership**

1. Any firm meeting the requirements of membership as set forth in the By-Laws shall be admitted to membership in NAED on a non-discriminatory basis.

2. No member of the association shall have authority to represent that he is communicating on behalf of and as an official representative of the Association without prior approval of the Association.

3. Participation in any and all activities by a member company is wholly voluntary. NAED shall conduct all statistical functions on a voluntary basis and all data collected from individual companies shall be treated confidentially and reported in composite form.

4. No firm shall be expelled from membership except for just cause, and in such manner as is established in the By-Laws to assure that such expulsion is fair, objective, reasonable and non-discriminatory.

### **General Operating Procedures**

1. Guest speakers at the Association functions and authors of Association materials shall be informed of the need to comply with association antitrust guidelines in the preparation and presentation of matters to the membership.

2. Handouts at meetings of NAED's Board of Directors shall be reviewed in advance by legal counsel.

3. NAED counsel shall make regular reports, at appropriate Association meetings and in periodic Association communications, of current antitrust law developments.

4. In making this guide available to Association members, NAED intends it to serve as a practical aid to members and staff in dealing with the antitrust laws which have particular application to Association activities. The guide is by no means an attempt to provide a detailed analysis of the antitrust laws or as a substitute for individual legal advice in handling specific matters.

5. Just as membership and participation in NAED activities is a good investment for members, so too is an effective antitrust compliance program a good investment for the members of the Association.

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