



National Fluid Power Association

ANTITRUST POLICY

Approved January 16, 2008 – updated October 31, 2016

Active participation in NFPA is an important aspect of membership in NFPA. Participation adds to the vitality and energy of the organization, and furthers NFPA's vision of accomplishing together what can't be done alone in the fluid power industry.

NFPA is committed to strict compliance with all laws applicable to carrying out its objectives, and in the conduct of its activities. Its programs involve cooperative efforts to accomplish those objectives, including the frequent meeting of competitors and their distributors and suppliers. It is therefore important to emphasize the ongoing responsibility of NFPA and its volunteers to comply fully with federal and state antitrust laws.

The officers and directors, as governing representatives of NFPA, are aware of their responsibility and conduct their meetings and adopt programs and activities in strict compliance with all laws applicable to not-for-profit organizations. An equal responsibility for antitrust compliance rests with all those participating in NFPA activities. Your corporate employer and NFPA depend on you as a participant to use your good judgment to avoid all discussions and activities which may involve improper subject matter, or discussions which may have unintended implications, and avoidance of even an appearance of improper activity. You, who are directly involved in the industry either as a manufacturer, distributor or supplier, must take every precaution to assure that your conduct at NFPA meetings or with competitors at any time will not have implications of an antitrust nature.

While the positive contributions of associations are well recognized and encouraged by government, association activities also are subject to close scrutiny under both federal and state antitrust laws. The single most significant law affecting associations is the Sherman Antitrust Act, which makes unlawful every contract, combination or conspiracy in restraint of trade. Because an association is, by nature, a group of competitors joined together for a common business purpose, an association satisfies what would ordinarily be a difficult element in proving an antitrust violation.

NFPA meetings and discussions are, in general, to be industry-promotion, industry-issue, industry-development or technically oriented. Discussions may generally cover matters concerning production machinery developments, product developments, advancing "technical know-how," improving productivity and efficiency, generic terms, historical market data on a general (i.e., non-specific company) basis, and regulatory or legal industry-wide issues such as product liability, legal standards and government policies.

Historically, the most significant area of antitrust concern for associations has been price fixing. Price fixing is a very broad term which includes any concerted effort or action that has an effect on prices, terms or conditions of trade, or on competitors. Accordingly, NFPA members should refrain from any discussion which may provide the basis for an inference that they agreed to take any action relating to prices, services, production, allocation of markets or any other matter having a market effect. These discussions should be avoided both at formal meetings and informal gatherings. In addition, NFPA members should be sensitive to other matters that may raise particular antitrust concern: membership restrictions, codes of ethics or other forms of self-regulation, and product standardization or certification.

The following are guidelines participants should follow at NFPA meetings and related informal gatherings:

- **DON'T** discuss your own or competitors' prices or fees for service, or anything that might affect prices or fees, such as costs, discounts, terms of sale, profit margins or future marketing plans.

- **DON'T** stay at a meeting where any such price talk occurs – state why you are leaving.
- **DON'T** make public announcements or statements about your own prices or fees, or those of competitors, at any NFPA meeting.
- **DON'T** talk about what individual companies plan to do in particular geographic or product markets or with particular customers.
- **DON'T** disclose to others at meetings or otherwise any competitively sensitive information.
- **DON'T** speak or act on behalf of NFPA unless specifically authorized to do so.
- **DO** have a staff person from NFPA present at any meetings you conduct and insist on the agenda being followed and minutes kept.
- **DO** send copies of all NFPA-related correspondence to NFPA's office.
- **DO** alert NFPA staff or legal counsel to any sensitivities or inaccuracies in proposed statements to be made by or on behalf of NFPA.
- **DO** consult with your own legal counsel or NFPA staff before raising any matter or making any statement that you think may involve competitively sensitive information.
- **DO** be alert to improper activities, and don't participate if you think something is improper.

Adherence to these guidelines involves not only avoidance of antitrust violations, but avoidance of behavior which might be so construed. Bear in mind, however, that the antitrust laws are stated in general terms, and that this policy only provides an overview of prohibited actions. It is intended only to highlight and emphasize the principal antitrust standards which are relevant to NFPA programs and activities. You must, therefore, seek the guidance of either your own legal counsel or NFPA's legal counsel if antitrust questions arise.

NFPA Meeting Etiquette

National Fluid Power Association Antitrust Compliance Guidelines apply to members in all association activities and programs. However, there are other matters of etiquette and conduct, not addressed by the Antitrust Guidelines, that are also important to maintaining the association's vision of inclusiveness and fairness as we all work together to fulfill the association's mission.

The following policies apply to all NFPA meetings, conferences and related programs:

- Members shall not schedule company-specific activities or events during an NFPA function which would interfere or conflict with participation in NFPA's scheduled program.
- Members may only distribute marketing collateral (digital or printed) when a specific and NFPA-sponsored exhibit opportunity is part of the event and only under the rules and guidelines established for that exhibit opportunity.
- Members may not purport to represent, speak on behalf of or otherwise act as a representative of NFPA unless specifically authorized to do so by NFPA's Board of Directors.

Adherence to these policies will ensure a successful and enjoyable meeting experience for everyone!