

## **ANTITRUST POLICY**

Revised Effective: February 21, 2013

**The Electronic Security Association ("ESA" or the "Association")** is a trade association of member companies in the private electronic security industry. It is organized to promote the common interests of its members and the private electronic security industry, to the extent such interests do not conflict with the common good. ESA 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 electronic security industry.

**Nevertheless**, it is recognized by the Board of Directors of ESA that the Association and its varied activities could be regarded by some as a forum for an opportunity to promote anti-competitive conduct. For this reason, the Board of Directors has taken this occasion, through this update of its original July 27, 1983 statement of policy, to make clear that the Association's policy is to comply strictly in all respects with the antitrust laws. This Policy, together with the General Rules of the Antitrust Compliance **[and the ESA Guide to Antitrust Policy for Association Presenters]**, are a reminder of the commitment of the Association and of its members to full compliance with antitrust laws and a general guide for Association activities and meetings.

**It shall be the responsibility** of every member of ESA to be guided by ESA's policy of strict compliance with the antitrust laws in all ESA activities and meetings. 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. Compliance with this Policy involves not only avoidance of antitrust violations but also the avoidance of conduct that could appear to be an antitrust violation.

**In conclusion**, this Policy and the General Rules of the Antitrust Compliance are intended only to highlight and emphasize the key antitrust standards relevant to Association programs. You must, therefore, seek the guidance of either Association counsel or your own counsel if antitrust questions arise.

### **GENERAL RULES OF ANTITRUST COMPLIANCE**

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

1. Neither ESA nor any committee, product group, conference or activity of ESA 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. Accordingly, do not discuss these topics with other members and do not make public statements about your company's prices, product or service offerings, particular customers or geographies, or those of your competitors, at Association functions.
2. No ESA 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 ESA 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 ESA 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 ESA 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 ESA 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, if the purpose is to prevent the manufacture or sale of any product not conforming to a specified standard or if it 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 ESA membership or participation in any ESA activity, committee or product group, where exclusion may impair such person's or company's ability to compete effectively in the private electronic security industry.
8. In conducting ESA 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 members of the committee or product group at its next meeting. Copies of the minutes shall be transmitted to ESA staff and, to the extent necessary, to ESA legal counsel.
9. Association speakers and authors of conference papers shall be informed of the need to comply with the Association's Antitrust Policy and these General Rules of Antitrust Compliance, as well as the ESA Guide to Antitrust Policy for Association Presenters, in the preparation and presentation of their materials.
10. In informal or social discussions at the site of a ESA 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 General Rules of Antitrust Compliance. In addition, copies of the foregoing Antitrust Policy and these General Rules of Antitrust Compliance will be included in meeting registration packets and will also be printed in ESA Directories.

## ESA GUIDE TO ANTITRUST POLICY FOR ASSOCIATION PRESENTERS

It is the policy of the Electronic Security Association ("ESA") and its members to comply strictly with all laws applicable to their activities, as set forth in its Antitrust Policy and the General Rules of Antitrust Compliance. It is important to emphasize the on-going commitment of the Association to full compliance with federal and state antitrust laws. This Guide is therefore being provided to help you prepare your presentation materials.

Some of the topics you cannot discuss or present at Association activities and meetings include:

**Forward Looking Price Projections:** do not project, forecast or otherwise speculate about the pricing of electronic security products or services or topics that may affect prices, such as costs, discounts, terms or conditions, or profit margins.

**Forward Looking Inventory or Capacity Projections:** do not project, forecast or otherwise speculate about the inventory or capacity levels of any electronic security company.

**Competitors' Capabilities:** do not discuss the capabilities, product or service mix, geographic coverage or any specific attribute of any particular company if such information has not been placed in the public domain by that company in the form of a government filing or general press release.

**Call To Action:** do not issue a "call to action" at an Association meeting with respect to price or price related topics, including capacity or inventory.

**Association Logo or Name.** Please do not use or place the Association logo or Association name on your presentation materials without first obtaining the written consent of the Association.

Assuming the information is not specific to any one company or does not provide potentially revealing information about a small group of companies, you may present historical information as to industry trends, technology developments, quality assurance and other industry issues.

Compliance with this Guide involves not only the avoidance of antitrust violations but also the avoidance of behavior which might appear to be an antitrust violation. The antitrust laws are stated in general terms, and this statement is not a summary of applicable laws. It is intended only to highlight and emphasize the principal antitrust standards which are relevant to Association programs.

Please refer to the Association's Antitrust Policy and its General Rules of Antitrust Compliance for the Association's general antitrust guidelines.