NFRC Antitrust Compliance Procedures

NFRC is committed to requiring the organization and its members and representatives to be in full compliance with all federal and state antitrust laws, rules and regulations. NFRC recognizes that some of its members and participants may be potential competitors and NFRC wishes to scrupulously avoid any discussion or activity that could lead to, or be reasonably perceived as leading to, improper restraints on competition. NFRC’s Board of Directors has adopted the following procedures to assist the organization and its constituents to maintain full compliance with these antitrust laws. These procedures apply to all NFRC members, directors on NFRC Board of Directors, officers, NFRC staff, and all participants in NFRC sponsored meetings and task groups and to all other meetings attended by individuals as representatives of NFRC.

Avoiding Improper Agreements and Discussions Among Competitors

1. Express of implicit agreements or discussions among competitors as to prices or price levels relating to their products and services is expressly prohibited. In addition, no discussion is permitted of any elements of a company’s operations which might influence pricing such as:

   a. how prices are determined and when they are issued;
   b. costs of operations, supplies, labor or services;
   c. allowances for discounts and rebates;
   d. raw materials and costs and production and inventory matters;
   e. terms of sale or products, including credit arrangements; or
   f. profit margins and mark ups.

2. Competitors may not discuss or reach agreements not to compete with each other in any form. The following are examples of improper anti-competitive conduct prohibited by federal and state antitrust laws:

   a. division of geographic market territories;
   b. limitations on the nature of business to be carried on or the products to be sold; or
   c. agreements to sell products for a specific market only.

3. Discussions or agreements to boycott or refrain from doing business with other commercial entity are also expressly prohibited in any form. Examples of these illegal boycotts include the following:

   a. agreements not to pursue a new technology;
   b. agreements about blacklisting or unfavorable reports about particular companies including their financial situation; or
   c. agreements not to do business with identified vendors, customers and others.
Compliance Education and Monitoring

1. It is NFRC’s policy to periodically acquaint NFRC members, members of NFRC’s Board of Directors, staff and other participants in the organization with the policies and procedures set forth in the Antitrust Compliance Procedures. As part of that compliance effort, NFRC will take the following steps to better ensure that NFRC meets these legal requirements:

   a. Legal counsel for NFRC will brief NFRC Board and staff from time to time as to the requirements of the antitrust laws and the application of those laws to the activities of the organization;

   b. NFRC Board and Chief Executive Officer will keep NFRC legal counsel informed of current and projected activities of NFRC and, as appropriate, request an antitrust review of those activities which will be shared with the Board.

   c. NFRC legal counsel will be consulted on the agendas for NFRC meetings and the purpose of those meetings. Minutes of all NFRC sponsored meetings will be maintained and submitted to legal counsel for review for anti-trust implications;

   d. At any meetings attended by persons who are acting on behalf of NFRC where discussion relates to matters with antitrust implications, the NFRC representative shall request that the discussion be stopped and ask that the request be made a part of the minutes of the meeting. If others continue such discussion, the NFRC representative shall leave the meeting and request that the minutes show that s/he left the meeting at that point and why s/he left. The NFRC representative shall immediately report the incident to NFRC’s Chief Executive Officer who shall promptly inform the Board of the incident.

   e. It is NFRC’s policy that a copy of these Antitrust Compliance Procedures be given to each officer, director, committee member, official representative of member companies and NFRC employees at least annually and that the same be read, and/or disseminated, at all NFRC sponsored meetings.

Adopted by the NFRC Board of Directors - January 30, 2003