

Code of Conduct

Association of the European Fire and Security Industry:

EURALARM

Version Number: 2.0
2015

Original language: English

EURALARM CODE OF CONDUCT

EURALARM, the European Trade Association for the electronic Fire and Security Industry, states that EURALARM

- considers it mandatory that its activities are at all times carried out in accordance with the applicable law, especially the competition law (e.g. Art. 81 of the Treaty of Rome) but also laws on fraud and corruption,
- supports that business must be conducted in an atmosphere of free competition, i.e. on the basis of price, technology and quality,
- fully endorses legislation quoted above which intends to stimulate free competition in an open market,
- confirms this position by issuing a EURALARM Code of Conduct that is binding for all its members.

With this Code of Conduct EURALARM aims at creating trust in the integrity of the sector among all parties and institutions concerned. The EURALARM Code of Conduct provides clear and mandatory rules to its members, thus reducing the risk of improper conduct. The EURALARM Board will impose sanctions if it becomes aware of any violation of this Code of Conduct.

This EURALARM Code of Conduct is only valid for EURALARM internal affairs. As far as member companies/ associations codes of conduct are existing, they are in higher priority in respect to compliance rules to be followed by the individual members and persons."

1. CONSULTATION AND DECISION MAKING WITHIN EURALARM

The following rules shall at all times be respected for all dealings within EURALARM:

1.1. PROCEDURES

- Meetings of a body, committee, working group or other forms of cooperation within the Association will only take place after they have been convened in writing. The notice convening the meeting shall include an agenda for the meeting.
- Before starting any meeting, the chairman of the meeting, has to arrange that all participants confirm with their signature that they know this EURALARM Code of Conduct and that are aware of it.
- If during a meeting topics not listed on the agenda will be discussed, the chairman of the meeting must refuse to proceed to discuss the topic in question, or the attendees of this meeting are requested to leave the meeting.
- Minutes will be kept of each meeting and sent to all members invited to the meeting. The minutes will be made available to the Board of the Association for their information.
- During the meetings it may not be decided to discuss certain topics that are subject to the condition that they will not be recorded in the minutes. If such condition is stipulated the chairman of the meeting must refuse to proceed to discuss the topic in question.
- If market related topics are discussed during a meeting and if there are doubts about the freedom to discuss such matters in the light of competition law, the chairman shall suspend the discussion on that subject until the advice of an expert in the field of European competition law is obtained.
- If the chairman is not suspending the discussion of critical topics, the attendees of this meeting are requested to leave the meeting.

1.2. PROHIBITED TOPICS

Members agree to abide strictly to antitrust rules. In particular the following topics are definitely prohibited at all times within and on behalf of EURALARM:

- information or arrangements about prices, price components, rebates, pricing strategy and calculation, and intended change in prices,
- terms and conditions for supply and payment, relating to contracts with third parties,
- information about business strategies and future market conduct,
- detailed information about profits, profit margin, market shares, and intended investments, as far as this information is not publicly available,
- co-ordination of bidding towards third parties, regional or personal division of markets or sources, express or tacit agreement about boycotting certain companies or cutting-off the supply or purchase against a certain company.

1.3. TOPICS THAT REQUIRE SPECIAL ATTENTION

The following topics might, under certain circumstances, present a problem from a competition law point of view. This means that these topics must at all times be discussed, within the context of the trade organisation, in proper consultation with an expert in the field of competition law:

- Schemes for recognition/membership criteria. For as long as recognition or membership of the trade organisation does not play a decisive part for the potential customer when choosing a product or service, there are no objections to this from a competition law point of view. As soon as the customer does find this important, however, these schemes must satisfy competition law criteria.
- Through its General Management EURALARM may collect quantitative market data and quantitative commercial information about individual companies. It will keep the source data confidential at all times and only may make market related information available to its members in an aggregated manner. This restriction does not apply to information which is publicly available, e.g. through commercially available market studies. In case of doubt EURALARM shall consult with an expert in the field of competition law before publishing any such information.

1.4. POSITION PAPERS AND PRESS RELEASES

EURALARM ensures that no position paper or press release contains a wording that, intentionally or unintentionally, could suggest an arrangement, a uniform conduct or a recommendation by EURALARM or by member companies. Allowed wording includes:

- Reporting about the market situation and development from a EURALARM perspective,
- Presenting alternative solutions and positions to matters relevant for the fire and security industry,
- Advocating positions which aim at developing the fire and security market and/or benefit the entire fire and security industry.

Activities mentioned above shall be conducted in a way which does not prefer an individual member or a limited group of members..

2. STANDARDS OF CONDUCT: INDIVIDUAL MARKET CONDUCT OF MEMBERS

In order to protect the reputation of EURALARM it is essential that the individual members respect the following rules in their EURALARM activities:

- Members shall refrain from any conduct that could cause that EURALARM as an association will violate European and national competition regulations and laws.
- Members shall waive antitrust and competition benefits, as well as commercial and financial benefits to customers, governments and other third parties.
- Members shall refrain from agreements having a significant effect on competition and the effect cannot be justified on by economic efficiency in relation to all topics mentioned in article 1.2.

3. EXECUTION/ENFORCEMENT

EURALARM will implement this Code of Conduct by informing all EURALARM members about this regulation with binding rules for members and their representatives. It will remind all participants in every meetings of this Code of Conduct. Furthermore it will stipulate that violation or non-observance may result in immediate termination of membership. Other forms of sanction include warnings, reprimands and suspensions.

This EURALARM Code of Conduct has been approved and accepted by the EURALARM Board members unanimously at their meeting on 07. July 2015.