

THE NATIONAL ASSOCIATION OF POLICE EQUIPMENT DISTRIBUTORS
ANTITRUST GUIDELINES

The National Association of Police Equipment Distributors ("NAPED") intends to operate in compliance with the antitrust laws of the United States and, as applicable, the antitrust laws of the states within the United States and the antitrust / competition laws of other countries (generally, "Antitrust Laws"). The Antitrust Laws are intended to preserve and promote free, fair and open competition. This competition benefits consumers and companies which are innovative and efficient. A violation of the Antitrust Laws can have serious consequences for NAPED and member companies. Accordingly, NAPED hereby issues the following guidelines for itself and its members, as guidance in connection with participation in NAPED activities. The activities of NAPED are not intended to restrain competition or to harm consumers. The purpose of NAPED is to bring businesses and business people in the law enforcement supply industry together to promote business, exchange ideas and to take advantage of the vast amount of experience and information that we can all derive from and share with each other.

1. Neither NAPED nor any of its committees or activities shall be used for the purpose of bringing about or attempting to bring about any understanding or agreement, written or oral, formal or informal, express or implied, between and among competitors with regard to their prices, terms or conditions of sale, distribution, volume of production, territories, customers, or credit terms.
2. In connection with membership or participation in NAPED, there shall be no discussion, communication, agreement or disclosure among members which are actual or potential competitors, regarding their prices, discounts or terms or conditions of sale or licensing of products or services, pricing methods, profits, profit margins or cost data, production plans, market shares, sales territories or markets, allocation of territories or customers, or any limitation on the timing, cost or volume of their research, production or sales.
3. Each member of NAPED is obligated and expected to exercise its independent business judgment in pricing its services or products, dealing with its customers and suppliers, and choosing the markets in which it will compete.
4. No activity or communication of NAPED, or that of members in connection with their participation in NAPED, shall include any discussion which could reasonably be construed as an attempt to prevent any person or business entity from gaining access to any market or customer for goods and services, or to prevent any businesses entity from obtaining a supply of goods or services or otherwise purchasing goods or services freely in the market.
5. The qualifications for membership in NAPED are established by the Board of Directors of NAPED and its Bylaws. No application for membership, which meets the qualifications set forth there in, shall be denied membership for any anti-competitive purpose. No member shall be excluded from a working group of NAPED for an anti-competitive reason.
6. NAPED and each member, in connection with the activities of NAPED, shall use its best reasonable efforts to comply in all respects with the Antitrust Laws.
7. These Guidelines are conservative and intended to promote compliance with the Antitrust Laws, not to create duties or obligations beyond what the Antitrust Laws actually require. In the event of inconsistency between these Guidelines and the Antitrust Laws, the Antitrust Laws shall control.
8. These Guidelines shall be promulgated to all members of and participants in NAPED. All members and participants shall abide by these Guidelines.

Duly adopted by the Board of Directors of the National Association of Police Equipment Distributors on October 26, 2001.

S/ Fred Cannon, Executive Secretary

s/ Phillips B. Sherburne, President October 26, 2001.