



Canadian Elevator Contractors Association
Association Canadienne des Entrepreneurs en Ascenseurs

CANADIAN ELEVATOR CONTRACTORS ASSOCIATION (CECA) ANTITRUST POLICY AND GUIDELINES

STATEMENT OF PURPOSE

The Canadian Elevator Contractors Association (CECA) is committed to complying with Canada's *Competition Act*, RSC 195, c. C-34, as it applies to voluntary trade associations and avoiding improper conduct from an antitrust standpoint when members are participating in CECA meetings and/or acting as a representative of/or on behalf of CECA.

OBJECTIVES

CECA's Antitrust Policy and Guidelines are in compliance with Canada's *Competition Act*.

RESPONSIBILITY

CECA's Antitrust Policy and Guidelines apply to CECA Members and their employees (herein referred to as "Members"). CECA will neither permit nor condone anti-competitive behaviour, behaviour that is in restraint of trade, or behaviour that may be deemed in CECA's discretion, an unfair business practice, whether willful or inadvertent, in connection with any CECA activity. All Members are required to abide by the CECA Antitrust Policy and Guidelines. CECA's Antitrust Policy and Guidelines have been prepared to ensure that participants in all CECA activities are aware of their responsibilities as Members.

GENERAL POLICY

CECA Members are responsible to comply with the General Policy, and to avoid raising improper subjects for discussion. CECA encourages active participation by its Members in order to add value to the Member engaging in association-related affairs, and to further CECA's mission. Members are required to be aware of the following general policies while representing or engaging in CECA business:

Price Fixing: One of the clearest antitrust violations an association can commit is an agreement by its members to set prices at a fixed level, even if the prices set are reasonable or the ends sought are worthy. Additionally, terms and conditions of sale which affect the buyer should not be discussed. These include discounts, freight allowances, terms of product warranties and other individual policies followed in dealing with customers. Do not engage in illegal boycotting – including discussions that might be seen as an agreement to refrain from purchasing or using any products or services from any supplier.

Restraint of Trade: Frequently, an association engages in the voluntary development of a product specification or industry standard of quality. The industry standard developed must not advance the economic interests or operate as a marketing advantage for one or more members, to the detriment of others. Association-sponsored efforts to petition government agencies for action should not be considered to have an adverse economic impact on certain competing companies.

MEMBERSHIP

CECA remains committed to an inclusive, non-arbitrary membership policy that is entirely voluntary. The *Competition Act* recognize that voluntary trade associations must be able to establish and enforce reasonable membership rules in order to function; however, these rules can lead to antitrust allegations. Denial to an applicant where membership is necessary in order to effectively compete in the elevator industry may be challenged by a non-member as a restraint of trade or unfair business practice. Likewise, associations need to be able to terminate memberships when members do not comply with the *Competition Act* and/or CECA's Antitrust Policy and Guidelines. CECA maintains and enforces objective membership rules that are fair and compliant with the *Competition Act*.

CECA HONOURS THE FOLLOWING TRADE ASSOCIATION "DO'S" AND "DON'TS" AS PUBLISHED BY THE CANADIAN COMPETITION BUREAU

- **DON'T** discuss prices your company will charge customers.
- **DON'T** discuss discounts, terms of sale, warranties, profits or profit margins, market share, bids or the intent to bid, rejection or termination of customers, sales territories or markets.
- **DON'T** discuss administrative or disciplinary action by the association against a particular member.
- **DON'T**, in the absence of specific legal guidance, discuss any proposal that the association engage in any activity which may produce an adverse economic impact on some competing companies.
- **DON'T** propose or discuss any proposal that the association engage in any activity which may produce an adverse economic impact on some competing companies.
- **DON'T** engage in communications at association meetings or social events about competitively sensitive information. Private meetings between competitors under the pretext of association meetings should be discouraged;
- **DON'T** create a false impression that lower prices or fees are indicators of lower quality services;
- **DON'T** use rules to establish prices, mandate levels or types of services, restrict advertising, or exclude viable competitors from the market;
- **DON'T** use standard-setting to artificially provide some competitors with a competitive advantage over others, including firms with the potential to enter the market;
- **DON'T** make materially false or misleading representations to the public promoting the business interest of the association's members.
- **DO** exercise care when collecting and sharing competitively sensitive information within the association;
- **DO** ensure that measures are in place to prevent the disclosure of competitively sensitive information to or between individual association members;

- **DO** allow all members to attend annual and other general meetings so as not to exclude a specific firm or category of the association's membership.
- **DO** ensure that the exercise of standard-setting and other statutorily granted self-regulatory power is appropriately related to the regulatory mandate established by legislation.
- **DO** ensure open consultations in the development of any rules.

In conclusion, an understanding and awareness of the CECA Antitrust Policy and Guidelines are required to support the proper conduct of CECA operations. The proper conduct of CECA business requires that all Members and participants be conscious and aware of antitrust implications. The potential of anti-competitive conduct or decisions requires vigilance by all Members to avoid even the appearance of impropriety and non-compliance with the *Competition Act*. Our organization is only as strong as our weakest link, and we rely on all of our Members to support and further the goals of the Antitrust Policy and Guidelines. Consult CECA or your legal counsel immediately if you have any questions or concerns about your obligations under the *Competition Act* as a CECA Member.