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## Good Governance and Competition Policies

The European Industrial Research Management Association (EIRMA) is a non-profit organisation, membership of which is open to companies and similar organisations that carry out research and development activities in support of commercial purposes in Europe. Its rules of operation are set out in the Statute and Internal Regulations, published on the EIRMA web site. Responsibility for ensuring effective governance in respect of its Statute and Regulations and other applicable legislation rests with the Governing Board.

EIRMA's purpose is stated as follows:

“The Association, recognising the role of scientific research in economic growth and in progress towards greater social well-being, shall aim at contributing to the effectiveness and the achievement of industrial research by considering the best ways in which it can be directed, managed and applied. The Association shall therefore promote:

- i) The study of the organisation and management of industrial research, including scientific research and technological development;
- ii) The development and the wider use in industry of improved, more economical and effective methods and techniques of managing industrial research;
- iii) Wider understanding of the place of research within the firm, of the role and requirements of research in industry generally, and of those aspects of economic, education and science policy which have a special bearing on research in industry or which research in industry can influence.”

The Association undertakes such activities - conferences, courses, seminars, studies and the like - as it considers appropriate to the achievement of these aims.

## Compliance with Competition Law

EIRMA plays no role in the competitive decisions of its members, their affiliates or business partners, nor acts in any way to restrict competition. The rules of membership do not exclude competitors from taking part, or restrict members in their commercial dealings with each other and with non-members. Furthermore, EIRMA provides no services that give direct financial benefit, directs no expenditures towards favoured partners and has no involvement in decisions concerning the distribution of public funds. On those occasions when the Association receives public sponsorship, this is to enable its participation in specific projects under conditions that are identical to those applied to any other eligible organisation. The Association aims always to operate on a basis of trust and openness.

Reflecting the requirements of competition and “anti-trust” regulations, the following rules apply to all EIRMA activities and must be observed by all participants and staff at all times and without exception:

1. No attempt shall be made to bring about any understanding or agreement among competitors with regard to prices, terms and conditions of sale, distribution, loans, territories or customers and there shall be no discussion of pricing methods, product quotas or the allocation of territories or customers;
2. There shall be no discussion which might be construed as an attempt to prevent access to any market or customer, obtain supplies, or otherwise purchase products or services freely in the market;

3. There shall be no attempt to bring about standardization that prevents the development, marketing or sale of any product not conforming to a specified standard for the sole purpose or with the sole effect of inhibiting competition or impeding free choice among consumers.
4. There shall be no discussion which might be construed as an agreement or understanding to refrain from purchasing equipment, services or other supplies from any supplier.
5. All members are required to comply with competition law at all times and to conduct any activity related to EIRMA in accordance with such law.

All activities are conducted according to agendas that are published and made available to prospective participants in advance of the meeting in question. Records are kept and are available for inspection by all members regardless of whether or not they participated (and, as far as possible, regardless of whether they were members at the time that the meeting took place). Many of the Association's findings are made publicly available; those which are kept confidential, for example because they serve as benefits of membership, may be inspected by non-members upon reasonable request to establish compliance with the principles stated here.

## **Other Aspects of Good Governance**

Although EIRMA operates as a non-profit association according to French law, its Governing Board recently conducted a review of activities within the context of US Sarbanes-Oxley legislation, based on advice given to non-profit organisations by relevant US-based support groups, in particular guidance published by Boardsource, <http://www.boardsource.org/>.

As a result of this review, the Governing Board has introduced new procedures to be used in connection with financial audits and the retention of electronic records. Other operational procedures were considered to be adequate, given the nature of the Association and its activities.