



IDEA General Membership Requirements and Code of Ethics Revision January 2009

In mid-year 2008, the Independent Distributors of Electronics Association (IDEA) Board of Directors began work on what it identified for some time as the need to review and expand the IDEA general membership requirements and code of ethics in order to raise membership standards and to provide further ethical and quality assurances to industry stakeholders who seek to ascertain quality independent distributors within the open market.

The Board worked diligently over the latter part of 2008 and accomplished this improvement in four basic phases. Phase 1 was the creation of the initial proposal of the expanded general membership requirements. Phase 2 was solicitation of comments from the IDEA Member Representatives on the proposed expanded general membership requirements. Phase 3 was the consideration of and action to each comment received from the general membership's Member Representatives for finalization to revise the membership requirements. Phase 4 was the creation of the IDEA Code of Ethics.

As a result of this work, the Board of Directors of the Independent Distributors of Electronics Association (IDEA) has strengthened its membership requirements. The IDEA Board of Directors has ratified the following requirements effective January 15, 2009 by a majority vote.

Membership and Application Status

1. Current IDEA General Member and applicable Associate Member companies must meet all 2009 IDEA membership requirements by August 1, 2009.
2. New applicants for IDEA General Membership and applicable Associate Membership must meet all 2009 IDEA membership requirements prior to applying for IDEA membership.

IDEA General Membership Requirements

1. Company must be in business for at least three years or be owned by a parent company that has been in business for at least three years.
2. Company must be ISO 9001 certified by a registrar that is recognized by an accreditation body that is identified and accepted by IAF. This requirement must be met by current IDEA Member companies by the date of their next certification audit.
3. Company must be certified to ANSI/ESD S20.20 by an ESDA certified registrar.
4. Company must provide objective evidence of Product Liability Insurance at a minimum of \$1,000,000 per incident and \$2,000,000 aggregate annually.
5. Company must provide objective evidence via a copy of documentation from its certified Quality Management System (QMS) (e.g. Quality Manual) IDEA-STD-1010 is part of the company's inspection program and documented as such in their QMS.
6. Company must provide objective evidence via a copy of documentation from its certified Quality Management System (QMS) (e.g. Quality Manual) that a Moisture Sensitivity Level (MSL)



management program for the identification and handling of MSL product is established, including the training of personnel, and is documented as such in their QMS.

7. Company through formal application must be approved by a unanimous vote of the Board of Directors in quorum at the time of the vote. Company must not have any unresolved issues that the voting quorum considers inconsistent with IDEA's mission and Code of Ethics. Such issues include but are not limited to credit or NSF issues, counterfeiting parts issues, or poor business practices. At the Board of Directors' discretion, any unresolved issues may require a written explanation followed by a subsequent review by the IDEA Board.
8. Company must agree to abide by the IDEA Code of Ethics through signature by a member of executive management. Application will include a copy of the IDEA Code of Ethics and a place for the company representative to sign on behalf of their company.
9. Company must complete at least one IDEA-ICE-3000 Inspector Certification for each ship-to-customer location, including third-party inspection sites. Third-party inspection candidates can only be certified under the name of the IDEA Member Company under which certification is achieved. Thereafter, the certification, is non-transferable, and may not be advertised by the third party. Upon approval of membership by the Board of Directors, a new Member Company has forty-five (45) days to attain at least one Inspector Certification for each ship-to-customer location (including third-party inspection sites) in order to be accepted into IDEA membership. Existing IDEA Member Companies must meet the same requirement by August 1, 2009. If a ship-to-customer location loses its IDEA-ICE-3000 Certified Inspector for any reason, the Member Company must notify the IDEA Executive Director about the situation within five (5) days in writing. If the Member Company has no other IDEA-ICE-3000 Certified Inspectors at that ship-to-customer location, they must certify a replacement Inspector within forty-five (45) days or be subject to IDEA membership revocation.
10. Company must possess the following minimum working equipment or capability:
 - a. Digital camera
 - b. Adequately lit microscopy
 - c. Magnifiers and/or eye loupe
 - d. Vacuum pen
 - e. Bar code scanner
 - f. Calipers
 - g. Micrometers
 - h. Vacuum sealer to seal humidity barrier bags

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Introduction to IDEA's Code of Ethics

The Independent Distributors of Electronics Association (IDEA) is a non-profit trade association representing high quality and ethically oriented independent distributors of electronic components. The purpose of IDEA is to promote the independent distribution industry through a media advocacy campaign; to improve the quality of products and services through a quality certification program, educational seminars, and conferences; and to promote the study, development, and implementation of techniques and methods designed to improve the business of independent distributors.

IDEA works to bring our message to the industry via industry speaking engagements, formal committees as well as informal interaction with industry stakeholders and various media publications. The name and logo for IDEA stands for the highest levels of quality, standards, and professionalism, all of which exemplify our membership. The following Code of Ethics is designed to become synonymous with the IDEA name and logo and immediately bring to mind its contents whenever the IDEA logo is present. The Code of Ethics' primary objective is to establish a standard to which IDEA Members will be held regarding specific business practices.

Please take the time to review the IDEA Code of Ethics, and we encourage you to post it on your website and at each of your business locations. Our website, www.idofea.org, will also proudly post the IDEA Code of Ethics.

The IDEA Board of Directors has determined that the following shall be REQUIREMENTS for all Members of IDEA. This Code of Ethics is subject to continual improvement as authorized by the IDEA Board of Directors.

IDEA Code of Ethics

Membership in the Independent Distributors of Electronics Association (IDEA) is a privilege extended to those organizations who meet the eligibility requirements, and is not a right. Membership may be continued unless the Board of Directors determines that the conduct of a Member has been such, that in the best interests of IDEA, the Member should be suspended or their membership terminated.

This Code of Ethics has been duly adopted by the Board of Directors under the authority vested in it by the bylaws of the Independent Distributors of Electronics Association.

1. The Member will support and be subject to the bylaws of the Independent Distributors of Electronics Association and such amendments, resolutions and policies as may be established.
2. The Member will conduct commerce in a moral and ethical manner so as to bring no discredit to the Independent Distributors of Electronics Association, nor to diminish the prestige of the membership therein. The Member will make commercially reasonable efforts to ensure all of its employees and representatives will conduct themselves in accordance with all federal, state, and local laws. Any act or behavior that is deemed to be in violation of membership standards, upon review of the Board of Directors, may result in membership revocation.
3. The Member will employ commercially reasonable efforts to ensure all products it sells have clear title and are free of lien.
4. The Member will not knowingly misrepresent products. The Member will employ commercially reasonable efforts to ensure truth in advertising.



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5. The Member will give advice to clientele in independent distribution of electronics matters to the best of their ability.
6. The Member will use the IDEA logo in accordance with the Association's logo use policy.
7. If a Member is found to breach the Code, that fact may be disclosed to companies or associations inquiring.
8. If a Formal Inquiry is filed against a Member, resignation will not preclude the Formal Inquiry Process and the Ethics Panel's investigation and publication of the results.

Approved and adopted by the IDEA Board of Directors 2009.

Formal Inquiries

A Formal Inquiry Procedure utilizing an IDEA Ethics Panel has been created to moderate and help to resolve disputes should they occur with an IDEA Member during ongoing business. The Panel's findings are primarily intended to ascertain an IDEA Member's status.

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Required Application Information

(The following information must be on file with IDEA for all general member companies)

1. Each member shall designate in writing only one person to act as its point of contact and voting representative.
2. Signed Membership Waiver Agreement
3. Signed IDEA Share Program Disclosure and Confidentiality Agreement (NDA)
4. Signed Intellectual Property Rights (IPR) Policy and Agreement
5. Signed Code of Ethics
6. Signed Policy for Any Use of the IDEA Logo, including the Internet domain name where logo will be used
7. Copy of ISO Certification by a registrar that is recognized by an accreditation body that is identified and accepted by IAF.
8. Copy of ANSI/ESD S20.20 Certification certificate by an ESDA certified registrar
9. A copy of company's Quality Management System (QMS) policy/procedure stating that its QMS incorporates the following:
 - a. IDEA-STD-1010 (most current revision) is incorporated into the inspection program.
 - b. A Moisture Sensitivity Level (MSL) Program, which has been established and is maintained, that incorporates a process to maintain product quality and an MSL knowledge/awareness and training program for personnel who handle product.
10. List of all owners of the company, including full names and direct contact phone numbers
11. List all DBAs, locations, and phone numbers
12. Member Company must provide a high-level organizational chart that includes lines of authority and responsibility of top-level owner(s), executive management, and the Quality Management Representative (QMR). This information is treated with confidentiality and is for IDEA administrative use only during the application process and thereafter for issue resolution and for knowing how to move up the chain of contact within a company.
13. Indicate type of company: Distribution, Testing, Manufacturing, Accounting, Shipping, Other
14. Member Company must provide all company Headquarters and ship-to-customer physical locations and phone numbers. This information is treated with confidentiality for IDEA administrative use only and will not be shared during the application process or thereafter by IDEA
15. Proof of Product Liability Insurance coverage at required values

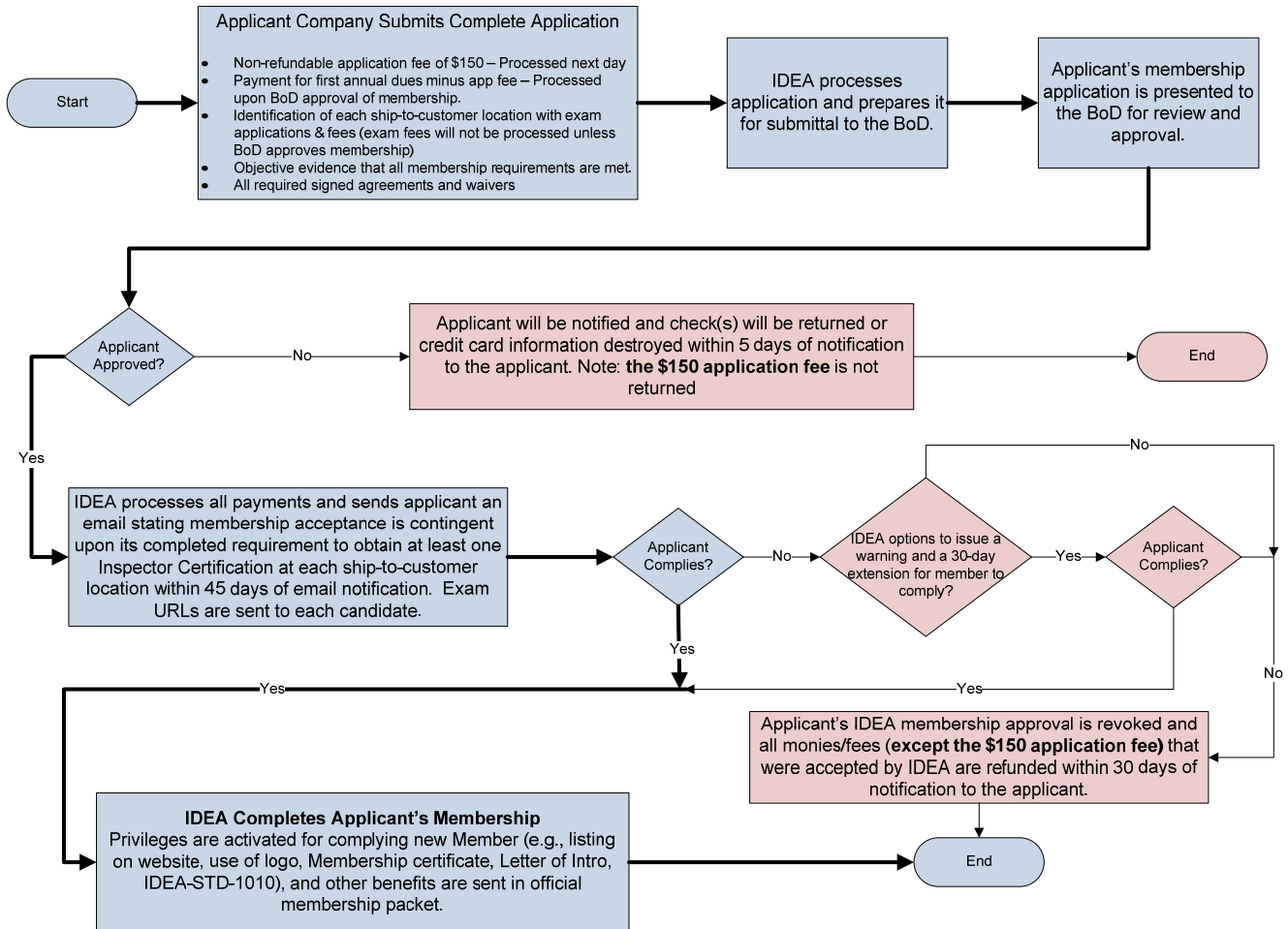


16. Company must provide objective evidence of being in continuous business over the past three years (unless waved by a unanimous vote of IDEA Board of Directors).
17. Member Company must provide an exact number of employees and contractors during the application process and update each year with the payment of annual membership dues. This information is treated with confidentiality for IDEA administrative use only and will not be shared during the application process or thereafter by IDEA. Upon annual IDEA membership renewal, Member Company must notify the IDEA Executive Director if employee/contractor headcount changes to the extent that it places the Member Company into a different membership size category.
18. Company must provide three trade references, one of which is an IDEA Member Company, and DUNS number. If these sources do not yield sufficient data for evaluation, other sources such as industry reports, e.g. Digi-Key, IC Source, etc. may be used at the discretion of the IDEA Executive Director in order to acquire information indicative of a company's reputation within the industry.
19. Company must tender the application fee with the completed application. The application fee is processed upon receipt at IDEA and is a non-refundable fee.
20. Company must tender the first annual membership dues (apart from the application fee) in the form of a check or completed credit card information with the application. If the membership application is approved, the funds will be deposited or processed into IDEA's bank account. If the membership is not approved, the check will be returned to the applicant or credit card information will not be processed.
21. Company must provide a list of all of its ship-to-customer locations and provide at least one completed IDEA-ICE-3000 Certified Inspector application complete with exam fees for *each* location. If company fails to obtain at least one Inspector Certification at each ship-to-customer location within forty-five (45) days, IDEA membership approval may be revoked, at which time all monies/fees (except the application fee) that were accepted by IDEA will be refunded within 30 days of notification to the applicant.
22. Company must provide a document confirming possession of all minimum equipment required. Document must include equipment list, quantity, and photos of a least one (1) of each item required.

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IDEA Membership Application and Approval Process



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Rev D

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