



CONFLICT OF INTEREST POLICY

The purpose of this Conflict of Interest Policy is to protect the interests of the National Asphalt Pavement Association (the association) in connection with any transaction arrangement that might benefit the private interests of any employee, any association Officer, Director, Committee Member or Member. Employees and any association members in a position to act on behalf of the association shall perform their duties for the association in good faith and with the degree of care that an ordinarily prudent person would exercise under similar circumstances.

Employees and association members have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes the framework within which NAPA wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees and association members can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the President or the Vice President of Finance and Operations for more information or questions about conflicts of interest.

Employees and association members must act with loyalty to the Association meaning that no employee or association member may use their position with the Association to make personal profit or gain other personal advantage.

Transactions with outside firms must be conducted within a framework established and controlled by the executive level of NAPA management. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit either the employer, the employee, or association members. Promotional plans that could be interpreted to involve unusual gain require specific management approval.

An actual or potential conflict of interest occurs when an employee or association member is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of NAPA's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee or association member is similar to that of persons who are related by blood or marriage.

Employees and association members may not engage in any transaction or arrangement or undertake positions with other organizations that involve a conflict of interest except in compliance with this Policy. Employees and association members should avoid both actual conflicts and the appearance of conflicts of interest.

Association members shall excuse themselves from voting on any transaction or arrangement in which they have a potential or actual conflict of interest and shall not be present when such vote is taken.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if employees or association members have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to the President or Vice President Finance and Operations of NAPA as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which NAPA does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving NAPA.

DISCLOSURE/EVALUATION

Each employee or association member shall promptly and fully disclose all material facts of every actual or potential conflict of interest to the Association's President. The President will evaluate and disclose any conflicts of interest to NAPA's Executive Committee for evaluation and attempt to develop alternatives to remove the conflict from the situation. The minutes of the Executive Committee Meeting will reflect this discussion and the suggested action, if any.

ENFORCEMENT

Each employee or association member who is in a position to act on behalf of NAPA shall sign a statement acknowledging that they have received a copy of this Policy, have read and understand it, and agree to comply with it.