

**CONFLICT OF INTEREST POLICY
OF THE
ALABAMA ROAD BUILDERS ASSOCIATION**

WHEREAS, the Alabama Road Builders Association (the "Association") is a trade association engaged in promoting and advancing the collective interests of the transportation construction industry in the State of Alabama; and

WHEREAS, from time to time the Association has the opportunity to enter into a transaction or arrangement that might provide a personal benefit to one or more of the persons who have the right to authorize the Association to enter into, or vote in favor of, such transaction or arrangement; and

WHEREAS, the Association desires to adopt the following policy for the purpose of protecting its interests when it is contemplating entering into a transaction or arrangement that provides a benefit to any person who has the right to authorize the Association to enter into, or to vote in favor of, such transaction or arrangement

NOW, THEREFORE, the Association does hereby adopt and promulgate the following policy (the "Policy"):

1. **Definitions.** When used in this Policy, the following terms have the following meanings:

(a) "Interested person" means any Association director, officer, or member of a committee with Board delegated powers who has a direct or indirect financial interest in any transaction or arrangement before the Association.

(b) "Financial interest" means any interest that a person has, directly or indirectly, through business, investment, or family that is either:

(i) an ownership or investment interest in any entity or individual with which the Association has a transaction or arrangement;

(ii) a compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement; or

(iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

(c) "Compensation" means direct and indirect remuneration as well as gifts or favors that are not insubstantial.

2. **Procedures.** When any proposed transaction or arrangement in which an interested person has a financial interest is to be brought before the Association for consideration, the following procedures must be followed by the interested person, the Board of Directors (including all committees appointed thereby), and all other persons associated with the Association:

(a) The interested person must disclose the existence of his or her financial interest in the proposed transaction or arrangement and be given the opportunity to disclose all material facts to the Board of Directors (or to the members of any committee appointed thereby) considering the proposed transaction or arrangement.

(b) After disclosure of the financial interest and all material facts by the interested person, and after any discussion, the interested person shall leave the Board meeting (or committee) meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board (or committee) members shall decide if a conflict of interest exists.

(c) An interested person may make a presentation at the Board (or committee) meeting at which the proposed transaction or arrangement is being considered, but the interested person shall leave the meeting prior to discussion of, and vote on, the transaction or arrangement. The chairperson of the Board (or committee) shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board (or committee) shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board (or committee) shall determine by a majority vote of its disinterested members whether the transaction or arrangement is in the Association's best interest and whether it is fair and reasonable. In conformity with the above determination, the Board (or committee) shall make its decision as to whether the Association shall enter into the transaction or arrangement.

(d) If the Board (or committee) has reasonable cause to believe a member has failed to disclose an actual or possible conflict of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board (or committee) determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

3. Records of Proceedings. The minutes of the Board of Directors of the Association and all committees with Board delegated powers shall contain:

(a) The name of the person who disclosed or otherwise was found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's (or committee's) decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

4. Compensation. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Association for services is precluded from voting on

matters pertaining to that member's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

5. Periodic Reviews. To ensure the Association operates in a manner consistent with its tax exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, the Board of Directors of the Association shall conduct periodic reviews, which shall include, at a minimum, the following subjects:

(a) whether the Association's compensation arrangements and benefits are reasonable, based on the result of arm's length bargaining; and

(b) whether partnerships, joint ventures, and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Association's tax exempt purposes, and do not result in inurement, impermissible private benefit, or an excess benefit transaction.

When conducting said periodic reviews, the Board may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

6. Annual Disclosure of Policy. The Board of Directors shall deliver a copy of this conflicts of interest policy to each director, officer, and member of a committee with Board delegated powers on an annual basis.

7. Supplemental Nature of Policy. This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit or tax exempt organizations.

**ANTITRUST POLICY
OF THE
ALABAMA ROAD BUILDERS ASSOCIATION**

WHEREAS, the Alabama Road Builders Association (the "Association") is a trade association engaged in promoting and advancing the collective interests of the transportation construction industry in the State of Alabama; and

WHEREAS, there are a number of antitrust laws - both federal and state - that may apply to the activities of trade associations and their members, as a trade association, by its very nature, is typically made up of competitors within a particular industry; and

WHEREAS, the Association desires to adopt a policy that provides appropriate safeguards protecting against violations of federal and state antitrust laws.

NOW, THEREFORE, the Association does hereby adopt and promulgate the following policy (the "Policy"):

1. Price-fixing, Market Allocation or Collusion. The Association will not knowingly permit any discussion among members at any Association meeting about prices or costs, apart from discussions concerning governmental programs relating to those areas. Nor shall the Association knowingly permit any discussions concerning market allocation nor any discussions which could be construed to constitute illegal collusive conduct of members. Moreover, members of the Association are instructed to avoid even the appearance of impropriety since the existence of an illegal pricing agreement or illegal market allocation or collusive conduct may be inferred from conduct short of an express oral or written agreement.

2. Terms of Membership. The Association will not deny membership to any person or firm who qualifies for membership where trade might be restrained as a result thereof.

3. Data Reporting. Whenever the Association becomes involved in the reporting of statistical data relating to the transportation construction industry, the data shall always be designed to provide information that will assist members in making business decisions. Participation in any statistical reporting programs will always be on a voluntary basis. Any data provided or reported to the Association membership or to the public will pertain to past, rather than future, transactions and will be reported in aggregate form.

4. Research Activities. In any collective research activities undertaken by the Association, care will be taken that the research activities do not in any way restrain competition.

5. Independent Decisions. The Association will not sponsor, approve, or knowingly be a part of any agreements, whether express or implied, that in any way restrict its members' freedom to make independent, competitive decisions.

6. Consultation With Staff and Counsel. Questions about the Association's programs or activities can be freely discussed with Association staff and counsel. Members are, of course, always free to consult their own counsel concerning the Association's programs or activities.

7. Government Requests for Information. If a federal, state, or local government employee asks questions about the Association activities or demands to search any the Association files, he or she must be referred to the Association general counsel; members and the Association staff and employees are cautioned not to interpret or to respond to legal documents prior to such referral to general counsel.