

ASPHALT INSTITUTE, INC.

Executive Office & Research Center
Lexington, Kentucky

(Amended December 1, 2006)

PREAMBLE: Terms used in these By-Laws are not gender specific but the term “he” may be used to identify and define duties and responsibilities that are named. Whenever the term “in writing” and/or “notification” is used in these By-Laws, it is to include electronic communications, unless specifically stated otherwise.

The Asphalt Institute, Inc. is hereinafter referred to as the Asphalt Institute or the Institute.

BY-LAWS

ARTICLE 1

MEMBERSHIP

Section 1.1 Regular Membership. The following shall be eligible for Regular Membership in the Asphalt Institute: Any corporation or firm, provided said corporation or firm is engaged in the asphalt business in one or more of the following categories:

- A. Producer of asphalt from crude petroleum for any and all uses.
- B. Processor manufacturing finished paving asphalts and/or non-paving asphalts, but not starting with crude petroleum; provided that converters who utilize finished asphalts for manufacture of other products are not eligible for Institute membership.
- C. Asphalt marketing companies with substantial manufacturing, storage and handling facilities related specifically to asphalt products.
- D. Legal entities or individuals who sell sufficient quantities of asphalt to reach the minimum tonnage requirements established by the Board of Directors, hereinafter referred to as the Board, for Regular Members, hereinafter referred to as the Minimum Assessment.
- E. Associate Members who do not sell sufficient quantities of asphalt but have elected to pay the Minimum Assessment.

Section 1.2 Associate Membership. The following shall be eligible for Associate Membership in the Asphalt Institute: Entities that meet all qualifications for Regular Membership defined in Section 1.1 but sell insufficient quantities of asphalt to reach the Minimum Assessment established for Regular Members.

Section 1.3 Canadian Membership. The following shall be eligible for Canadian Membership in the Asphalt Institute: Any corporation or firm who qualifies for Regular or Associate Membership but whose headquarters are located in Canada. If such a company sells tonnage within the U.S., the dues for which they are responsible will include an assessment based on the Regular Member rate for that tonnage and, if sufficient, qualifies them for Regular Membership. If a Canadian Member elects to pay the Minimum Assessment, they remain a Canadian Member and receive the voting rights of a Regular Member.

Section 1.4 International Membership. The following shall be eligible for International Membership in the Asphalt Institute: Any corporation or firm who qualifies for Regular or Associate Membership but whose principal business is located outside the U.S. and Canada. If such a company sells tonnage within the U.S., the dues for which they are responsible will include an assessment based on the Regular Member rate for that tonnage and, if sufficient, qualifies them for Regular Membership. If an International Member elects to pay the Minimum Assessment, they remain an International Member and receive the voting rights of a Regular Member.

Section 1.5 Affiliate Membership. The following shall be eligible for Affiliate Membership in the Asphalt Institute.

- A. Companies with asphalt assets that are used exclusively to supply services to unrelated third party companies.
- B. Asphalt brokers without asphalt assets or facilities.
- C. Any corporation or firm, provided said corporation or firm is engaged in the asphalt business, working specifically with asphalt related raw material or asphalt additives and whose principal activity in the asphalt business meets one or more of the following categories.
 1. Material and equipment manufacturers/suppliers.
 2. Additive manufacturers/suppliers.
 3. Service agencies include crude oil producers/associations, transporters, and commercial testing laboratories.
- D. Companies doing business outside of the U.S. who meet the eligibility requirements for Affiliate Membership.
- E. Any category specifically approved by the Board for inclusion as an Affiliate Member.

Section 1.6 Other Membership Categories. Any corporation eligible for membership in Asphalt Institute, as provided in these By-Laws may be elected to membership, as herein above provided, on such bases and terms as shall appear to the Board as equitable and practicable.

Section 1.7 Membership Level. A company must apply at the highest category for which they are eligible. Companies eligible for Regular or Associate Membership shall not be eligible for Affiliate Membership. A subsidiary of a member company may apply at the highest category at which they are eligible, however, a subsidiary of a non-member or company that is eligible for membership may not be an Affiliate Member to avoid the primary company's financial obligation. If a member and a non-member or a member and another member form a joint venture, partnership or other similar legal entity, that entity shall be eligible for Asphalt Institute membership at the highest level that it qualifies with commensurate right, privileges and obligations.

Section 1.8 Eligibility Lapse. If a member becomes ineligible for membership during the course of a year, such membership expires at the end of the fiscal quarter in which the member becomes ineligible and such member's financial responsibilities continue until the end of the fiscal quarter in which the member becomes ineligible.

Section 1.9 Definition of Asphalt. Asphalt under these By-Laws shall be deemed to include the following:

- A. Asphaltic materials for paving applications.
- B. Asphaltic materials for non-paving applications.
 - 1. Finished non-paving products;
 - 2. Asphalt (flux) for further processing to produce finished non-paving products.
 - 3. Miscellaneous Use.

Section 1.10 Representation and Voting Privileges.

- A. Regular Members shall have all the rights, duties, benefits, and obligations of Regular Members as provided by the By-Laws, with the following voting privileges:
 - 1. One (1) Regular Member Representative for each Regular Member.
 - 2. Each Regular Member Representative shall have one (1) vote on the Board.
 - 3. Any Regular Member Representative is eligible to be elected or appointed to an open seat on the Executive Committee.
- B. Associate Members shall have all the rights, duties, benefits, and obligations of Regular Members, as provided by the By-Laws, with the following voting privileges:

1. Election of one (1) Associate Member Representative for each ten (10) Associate Members or fraction thereof.
 2. Associate Member Representatives shall have one (1) vote each on the Board and the Executive Committee.
 3. Any Associate Member may, at its option, elect to pay the Regular Member Minimum Assessment and thereby become a Regular Member with full voting rights and representation, as provided by the By-Laws.
- C. Canadian Members shall have all the rights, duties, benefits, and obligations of Canadian Members as provided by the By-Laws, with the following voting privileges.
1. One (1) Canadian Member Representative for each Canadian Member.
 2. Each Canadian Member Representative shall have one (1) vote on the Board.
 3. One (1) Canadian Member Representative shall represent the Canadian Member companies on the Executive Committee and shall have one (1) vote.
- D. International Members shall have all the rights, duties, benefits, and obligations of International Members as provided by the By-Laws, with the following voting privileges:
1. Election of one (1) International Member Representative for each geographic region as follows: 1) Asia, 2) Americas, and 3) Europe. The Americas shall exclude the United States and Canada, but include the Caribbean region.
 2. Each International Member Representative shall have one (1) vote on the Board.
- E. Affiliate Members shall have all the rights, duties, benefits, and obligations of Affiliate Members as provided by the By-Laws, with the following voting privileges:
1. Subject to item E.2 below, election of one (1) Affiliate Member Representative for each twenty-five (25) Affiliate Member companies or fraction thereof.
 2. A maximum of two (2) Affiliate Member Representatives shall be elected.

3. Each Affiliate Member Representative(s) shall have one (1) vote on the Board and the Executive Committee and shall be eligible for no more than one (1) vote on each of the Institute's standing committees.
- F. Except for the right to elect Representatives as provided in this Section 1.11, Members shall have no voting rights or privileges and the Directors shall have the sole voting power.

Section 1.11 New Members.

- A. A prospective member shall complete and submit an application to the Director of Marketing and Membership.
- B. The application for Regular, Associate, Canadian, and International Membership shall include the report of asphalt sold in the United States by the applicant as required by Article 8 hereof.
- C. The application for Affiliate Membership shall include a description of the asphalt-related business activities in which the prospective member participates.
- D. All applications shall set forth that the applicant has received, examined, and accepted the By-Laws of the Institute and will, on election, become obligated in the manner set forth in the By-Laws and referred to in said application.
- E. Applications for membership are recommended for approval by the Membership Committee. The Executive Committee or Board must approve by vote all applications for membership.
- F. Membership becomes effective the first of the month following the date of election or a later date approved by the Executive Committee or Board.

Section 1.12 Member Dues.

- A. The revenue needed to meet Institute expenses shall be derived from the members on a pro rata basis as provided in Article 8 of these By-Laws. Payments to the Institute described in Article 8 should be regarded by the members as expenditures for technical, research, environmental, safety, and educational services for asphalt and its uses.
- B. In the case of a member elected to the Institute subsequent to January first of any year, such member shall pay a part of the current budget share, allottable to such member, effective the first of the month following the date of election or a later date approved by the Executive Committee or Board.
- C. Sales by non-U.S. members for use in the United States shall be subject to the same payments to the Institute as like sales by U.S. members. The amounts payable to the Institute by such non-U.S. members shall be such amounts (which

may be a fixed sum or other basis regardless of the asphalt tonnage sold by such members) as determined by the Board and governed by Article 8 thereof.

Section 1.13 Resignation.

- A. A resignation of membership must be in writing and mailed to the Director of Marketing and Membership at the Headquarters of the Institute, and shall be accepted by the Board or the Executive Committee; provided, however, that the resigning member shall have paid to the Institute such member's full obligations to the end of the fiscal quarter of the year in which such member's resignation is received. Until such payment is made, any such resignation need not be accepted and shall not become effective unless the Board or Executive Committee shall otherwise determine.
- B. Continuation of membership shall be contingent upon eligibility (Article 1, Section 1.1 through 1.7) and upon continuing pro rata financial support of the budget (Article 8). Within the terms of these By-Laws, the Board or Executive Committee shall have full discretion in making decisions and interpretations relating to questions of eligibility, membership status and payments.
- C. In any case, directors or officers representing a member shall cease to be such upon the termination, for any reason, of such member's membership in the Institute.

ARTICLE 2

DIRECTORS AND THEIR DESIGNATION

Section 2.1 Director Designations. The Members shall designate Primary Directors and Alternate Directors in accordance with Section 1.11. One or more Alternate Directors may be designated for each Primary Director, provided that if more than one Alternate Director is designated for a Primary Director, they shall be ranked as First Alternate Director, Second Alternate Director, and so on.

- A. Designation of a Primary Director and Alternate Director(s) shall be limited to full-time employees and/or officers of the member company or affiliated company.
- B. Brokers and other agents who are not bona fide employees and/or officers of the member company or affiliated company are ineligible to serve either as Primary or Alternate Directors.
- C. Each such Director, unless sooner displaced, shall hold office from the time of his designation until the designation of his successor, or until the removal, resignation or suspension of the member of the Institute represented by him.
- D. A member, upon written notice to the Director of Marketing and Membership may at any time make a new designation for either Primary or Alternate Director.

Section 2.2 Primary and Alternate Directors - Voting Authorities.

- A. The Primary Director alone shall have voting power at meetings of the Board when he is present.
- B. A Primary Director shall have voting power for his company at all other meetings where the designated company representative is not present.
- C. An Alternate Director shall have the power to vote in the absence of the Primary Director, and all Alternate Directors shall be entitled to attend all meetings of the Board. If more than one Alternate Director has been designated for a Primary Director, then such Alternate Directors shall have the power to vote in accordance with their rank order. For example, the First Alternate Director shall have the power to vote in the absence of the Primary Director; the Second Alternate Director shall have the power to vote in the absence of the Primary Director and the First Alternate Director; and so on.

ARTICLE 3

MEETINGS OF BOARD OF DIRECTORS

Section 3.1 Annual Meeting.

- A. An annual meeting of the Board of the Institute for the adoption of the budget, its apportionment among the members, the election of officers and the transaction of such other business as may be brought before the Board, shall be held each year in December at such place and at such hour as shall be stated in the notice of the meeting.
- B. On special occasion, and for special reasons consistent with the proper transaction of the business required to be done at the meeting, the annual meeting of the Board may be held in any year at such other time in November as may be designated by the Board.
- C. Written notice of each annual meeting, specifying the time and place thereof, shall be sent to each Primary Director at least fifteen (15) days prior to the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of the meeting, except as otherwise required by the Articles or these Bylaws.
- D. At any annual meeting, if a quorum is present, any business whatsoever may be transacted except that for changes in the Articles or in the By-Laws prior notice thereof shall be given as required by Articles 6 and 9.

Section 3.2 Special Meetings. Special meetings of the Primary Directors may be called to be held at any time and place by the Chairman of the Board and of the Executive Committee. Special meetings shall be called by the Chairman on request of at least three (3) Directors.

- A. Written notice of each special meeting, specifying the time and place thereof and containing a brief statement of the purposes thereof shall be communicated to each Primary Director at least fifteen (15) days prior to the date set therein for the meeting.
- B. A meeting of the Board may be called at any time without prior notice provided each Primary Director or alternate shall in writing consent or waive notice. Written consent or waiver of notice signed at or subsequent to the meeting to which it relates shall be considered with the same effect as if signed prior to the meeting.

Section 3.3 Voting. At any meeting of the Board, each Primary Director or, in his absence, his duly designated Alternate Director shall be entitled to one vote, and only one vote, on every question or action and all voting shall be via voice except when required by the presiding officer, or when the vote of the meeting is held by ballot. The Primary Director or his Alternate Director must be present in person or by telephone at the meeting to vote. If a quorum is not achieved or

if a quorum is not maintained as the meeting progresses after a quorum was declared, then motions cannot be put forth for a vote. (See also Section 2.2.B.)

Section 3.4 Quorum. At all annual or special meetings, a majority of the Primary Directors, or fifteen (15) of them, whichever number shall be smaller, present as aforesaid, shall be necessary and sufficient to constitute a quorum for the transaction of business, but the directors present at any meeting, though less than a quorum, may adjourn the meeting without further notice to a given time and from time to time. For purposes of determining a quorum, any Alternate Directors present in person shall be counted as their Primary Directors if the Primary Directors for whom the Alternate Directors are designated as alternates are absent.

Section 3.5 Action by Directors Without a Meeting. Any action required by applicable law to be taken at a meeting of the Directors, or any action which may be taken at a meeting of the Directors, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Primary Directors. Such consent shall have the same force and effect as a unanimous vote at a meeting.

Section 3.6 Meetings by Telephone. Unless the Articles of Incorporation provide otherwise, the Board of Directors may permit any or all Directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means shall be deemed to be present in person at the meeting.

Section 3.7 Presumption of Assent. A Director who is present at a meeting of the Board of Directors when action is taken is deemed to have assented to the action taken unless (i) he objects at the beginning of the meeting, or promptly upon his arrival, to holding it or transacting business at the meeting, (ii) his dissent or abstention from the action taken is entered in the minutes of the meeting, or (iii) he delivered written notice of his dissent or abstention to the presiding officer of the meeting before its adjournment or to the Institute within three (3) business days after adjournment of the meeting. The right of dissent or abstention shall not be available to a Director who votes in favor of the action taken.

ARTICLE 4

OFFICERS AND THEIR ELECTION

Section 4.1 Election of Officers. The Board at its annual meeting each year, shall elect a Chairman of the Board and of the Executive Committee, a Vice Chairman of the Board and of the Executive Committee, three Vice Presidents; two of which represent members who market in the east and west, and a Treasurer of the Institute. A President and a Secretary are to be elected in the event vacancies should occur and they are to be employed by the Board to serve at the pleasure of the Board. One person may hold more than one office. Except as required by these By-Laws, or as decided by the Board, officers shall be Directors, Primary or Alternate. Nomination procedure shall be by any method acceptable to the Board or as prescribed by the Board.

Section 4.2 Chairman. The Chairman of the Board and of the Executive Committee shall be one of the Primary or Alternate Directors. A person shall be ineligible to hold the chairmanship in consecutive years.

Section 4.3 Vice Chairman. The provisions pertaining to selection, election and service of the Chairman shall also apply to the Vice Chairman of the Board and of the Executive Committee, but in no event shall the Vice Chairman be from the same member or member affiliate as the Chairman in the same year. The Vice Chairman shall not serve consecutive years, but shall be eligible for nomination and election to the chairmanship in the ensuing year.

Section 4.4 Assistants and Other Agents. The Board may also from time to time elect or appoint such Assistant Treasurers, Assistant Secretaries and other officers or agents as it may see fit and with such titles, powers and duties as the Board may prescribe.

Section 4.5 Term of Office. Each officer of the Institute shall, subject to removal or other direction by the Board (and unless sooner displaced, by reason of the termination of the membership of the member he represents or otherwise), hold office from the time of his election until the election of his successor.

Section 4.6 Board Responsibility. All officers, agents and employees of the Institute shall be subject to the control and supervision of the Board, in which is vested the management and direction of the operations, activities and affairs of the Institute.

- A. The Board shall elect, and may remove, the officers of the Institute and fix their compensation.
- B. The Board shall have the power to fill any vacancy caused by death, resignation or removal, among the officers of the Institute. Any vacancy in the Board shall be filled by designation of the member or members, whose Director, Primary or Alternate, shall have been vacated.

Section 4.7 Counsel. The Board shall engage counsel to advise the officers and the Board and to act for the Institute on matters pertaining to its legal affairs.

ARTICLE 5

DUTIES OF OFFICERS

Section 5.1 Chairman of the Board. The Chairman of the Board and of the Executive Committee shall appoint such committees as are authorized by the Board or Executive Committee. He may call meetings of the Executive Committee and special meetings of the Board. He shall preside at meetings of the Board and of the Executive Committee at which he is present.

- A. In case of his absence and in the absence of the Vice Chairman at any meeting, the meeting may appoint a temporary Chairman.
- B. He may appoint member representatives to fill vacancies in any committee for the balance of the year in which the vacancy occurs.
- C. He shall monitor actions of the committees and task forces and recommend to the Board any creation, dissolution or consolidation necessary to conduct the business of the Institute.

Section 5.2 Vice Chairman. The Vice Chairman of the Board and of the Executive Committee shall exercise all the powers and duties of the Chairman of the Board, in case of the death, resignation or other incapacity of the Chairman, subject to action or direction by the Board or the Executive Committee.

Section 5.3 President. The President shall be the Executive Officer of the Institute acting under and responsible to the Board. He shall be a member of the Executive Committee.

- A. He is charged with applying the policies of the Board, with developing the general activities of the Institute and with promoting the best interests of the Institute and its members.
- B. He is responsible for recommending the Institute's annual operating budget to the Board and its Finance Committee and to administer and maintain control over the approved budget. Within limits prescribed by the Board, the President has authority to approve disbursements within the budget. However, disbursements in excess of \$200,000 shall be with the concurrence of the Chairman of the Board and the Chairman of the Finance Committee.
- C. He shall have such other powers and duties as may be prescribed from time to time by the By-Laws, by the Board or by the Executive Committee.

Section 5.4 Vice Presidents. The Vice Presidents shall respectively have such powers and duties as shall from time to time be prescribed for them by the By-Laws, by the Board, or by the Executive Committee. All the Vice Presidents shall be members of the Executive Committee.

Section 5.5 Treasurer. The Treasurer shall be a member of the Executive Committee and shall receive and collect all monies due to the Institute and shall cause the same to be deposited in such depositories as may be designated by the Executive Committee. He shall cause proper vouchers to be preserved for all payments made. He shall keep, or cause to be kept, proper books of accounts, which shall at all times be open to inspection by or on the order of the Executive Committee; and upon the termination of his services as Treasurer he shall deliver all monies, books, papers, and other valuables belonging to the Institute which are in his custody or control, to his successor, or as the Executive Committee may otherwise order.

Section 5.6 Authorizing Disbursements. The President, the Secretary, and the Director of Finance and Administration, or other individuals as designated by the Executive Committee shall have the responsibility of signing all checks, bank drafts, transfers of funds or bank orders on all Institute banking accounts. The Board of Directors or Executive Committee may require the signatures of more than one of the foregoing persons on any such instruments or transactions.

- A. A check signing machine with a facsimile of the signatures of the President, the Secretary, the Director of Finance and Administration, or other individuals as designated by the Executive Committee shall be acceptable.
- B. All disbursements of \$5,000 or more shall be personally initialed by either the President, the Secretary, the Director of Finance and Administration, or other individuals as designated by the Executive Committee.
- C. In the event that neither the President, the Secretary, nor the Director of Finance and Administration is available to sign or initial disbursements of \$5,000 or more, the authority shall be granted to either one of two individuals who do not have access to the check signing machine. Those individuals may be selected based upon the recommendation of the President and approval of the Executive Committee.

Section 5.7 Bonds. The Treasurer shall furnish a bond, approved by the Board or by the Executive Committee, as to form and amount for the faithful performance of his duties. On each such bond the Institute shall pay the premium.

Section 5.8 Secretary. The Secretary shall be a member of the Executive Committee and shall keep, or cause to be kept, a roll of the names and addresses of all members, directors and officers of the Institute.

- A. The membership roll shall be kept up to date, and changed from time to time as required, on the basis of written notices received by the Secretary from those on the list or through other information obtained by him.
- B. The Secretary shall serve, or cause to be served, notices of meetings of the Board; and he, as well as the President, may serve any notices whatsoever required to be served, on behalf of the Institute.

- C. The Secretary shall keep, or cause to be kept, a record of the proceedings of the meetings of the Board. Upon the termination of his services as Secretary, he shall deliver all books, papers and other documents belonging to the Institute, which are in his custody or control, to his successor, or as the Board shall otherwise order.

Section 5.9 Other Powers and Duties. In respect to the powers and duties hereinabove in this Article specified for the respective officers, each such officer shall also have such other or different powers and duties as are or may be from time to time prescribed by the By-Laws, the Board of Directors or the Executive Committee.

ARTICLE 6

COMMITTEES

Section 6.1 Executive Committee. The Board, at its annual meeting each year, shall appoint an Executive Committee to hold office for the ensuing year.

- A. The Executive Committee shall consist of the Chairman, Vice Chairman, President, three Vice Presidents, and a minimum of eight Directors-At-Large, Secretary, Treasurer. All Directors-At-Large shall serve for two (2) years and may succeed themselves.
- B. In addition, one (1) Canadian Member Representative shall represent the Canadian Member companies on the Executive Committee.
- C. In addition, there shall be one (1) Associate Member Representative for each ten (10) Associate Members or fraction thereof.
- D. In addition, there shall be one (1) Affiliate Member Representative for each twenty-five (25) Affiliate Members or fraction thereof.
- E. In addition, there shall be one (1) International Member Representative for each twenty-five (25) International Member companies or fraction thereof, with a maximum of two (2) International Member Representatives permitted.
- F. The Chairman of the Board of Directors and of the Executive Committee shall be one of the Directors, either Primary or Alternate, provided that a Member shall be ineligible to hold the Chairmanship in consecutive years.
- G. All members of the Executive Committee shall have one (1) vote with the exception of any employee of the Institute and the immediate past Chairman, who shall serve without vote. No member company will have more than one voting representative on the Committee at the same time.
- H. A position on the Executive Committee will be reserved for each Capped Dues Member. A Capped Dues Member is defined as a Regular Member who pays a fixed maximum amount established annually by the Board, regardless of reported volume. If any Capped Dues Member elects to not serve on the Committee, then his position may be filled by another member.
- I. Ex-officio members shall be the President, the Secretary, the immediate past Chairman of the Board, and the Institute's Legal representative, if any.
- J. Subject to any limitations imposed by applicable law, these By-Laws or by the Board from time to time, and subject to any necessary ratification by the Board, the Executive Committee, during intervals between meetings of the Board, shall have authority to act for the Board in all matters, except:

1. Amending, altering, repealing or restating the Articles or By-Laws.
 2. Electing, designating, appointing or removing any member of any Board committee or any Director or officer.
 3. Adopting a budget, setting and apportioning membership dues, or adopting a special assessment of the Members.
 4. Adopting a plan of merger or consolidation with another corporation.
 5. Authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Institute.
 6. Authorizing the voluntary dissolution of the Institute or revoking proceedings therefore.
 7. Adopting a plan for the distribution of the assets of the Institute.
 8. Amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or appealed by the Executive Committee.
 9. Modifying the Board-approved budget by more than \$250,000.
- K. The Executive Committee may at any time act without a meeting in the same manner as the Board of Directors described in Section 3.5. The written confirmation or a statement of the substance of the action taken to be placed with the Executive Committee's minutes of proceeding. Subject to the By-Laws and any direction by the Board, the Executive Committee may settle matters of its own procedure.
- L. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board from time to time, and in any case at the annual meeting of the Board each year.
- M. The Executive Committee shall have such other powers and duties as are or may from time to time be prescribed by the By-Laws and by the Board.

Section 6.2 Standing Committees. The Board may from time to time authorize or appoint such other committees as it may see fit. Subject to applicable law, the Board may prescribe regulations as to power, duties and functions of all committees.

- A. Standing Committees shall be approved by the Board and shall be governed by a charter that has been approved by the Board. Subject to the By-Laws, the Standing Committees may settle matters of their own procedure.

- B. Every Standing Committee shall meet as required, keep regular minutes of its proceedings and report to the Executive Committee from time to time and to the Board at its annual meeting each year.
- C. At the Institute's Annual Meeting, the Chairman of the Board will name members of the Committees from a volunteer list for the vacant terms on the Committees in accordance with the individual Charters.
- D. Committee Chairmen are empowered to name Task Forces of sufficient number to fulfill their mission. Task Forces serve at the pleasure of the Committee.

Section 6.3 Vacancies. As provided in Article 5, Section 5.1.B., the Chairman shall have the power to fill any vacancy caused by death, resignation or removal, among the members of Committees.

Section 6.4 General Board Authority.

- A. All committees of the Institute shall be subject to the control and supervision of the Board, in which is vested the management and direction of the operations, activities and affairs of the Institute.
- B. Subject to applicable law, the Board may prescribe the manner and procedure of conducting its operations and affairs in all respects not specifically provided for in the By-Laws.

ARTICLE 7

GENERAL PROVISIONS

Section 7.1 Fiscal Year. Beginning January 1, 1946, the fiscal year of the Institute shall be the calendar year.

Section 7.2 Expulsion.

- A. Any member of the Institute may be expelled, for any reason deemed sufficient by the Board, by a two-thirds vote of all members of the Board, at a meeting of the Board; provided, however, that no vote on expulsion of any member may be taken unless written notice shall have been mailed to such member not less than thirty (30) days prior to the date set for said meeting, which notice shall advise such member of the time and place of such meeting and of the reasons for which expulsion is proposed.
- B. The member proposed to be expelled shall have the right to appear and be heard by such meeting before it shall take final vote on the question of such expulsion.

Section 7.3 Notice. Notice of any meeting or any other notice by or on behalf of the Institute or of the Board, directed to a member, director, or officer, shall be deemed to be duly and sufficiently given if communicated in writing to such member, director or officer at the address appearing for such member, director or officer on the roll of names and addresses kept by the Secretary or to the last known post office address of the addressee known to the Secretary.

Section 7.4 Presiding Officer.

- A. If at any meeting of the Board, no officer authorized by the By-Laws to perform the duties of the Presiding Officer is present, or if the Secretary is absent, a Presiding Officer and/or a Secretary pro tem, may be appointed by vote of the meeting.
- B. The order of business at all meetings of the Institute shall be such as may be directed by the Presiding Officer; or, if objection thereto is made, then by vote of the meeting.

Section 7.5 Audit. The books and accounts of the Institute shall be audited at least once a year by a competent auditor or auditing company.

Section 7.6 Dissolution or Liquidation. If the Institute dissolves, the assets of the Institute shall be applied and distributed as follows:

- A. All liabilities and obligations of the Institute shall be paid and discharged or adequate provision shall be made therefore.

- B. Assets held by the Institute upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements.
- C. Assets that have been received and are held by the Institute subject to limitations permitting their use only in connection with a business league and/or similar purposes, and that are not held upon a condition requiring return, transfer or conveyance by reason of dissolution, shall be transferred or conveyed to (i) one or more corporations, societies, or organizations, organized under the laws of any state, that are exempt under section 501(c)(6) of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) the Federal government, or (iii) a state or local government, for a public purpose, pursuant to a plan of distribution adopted as provided by law.
- D. Other assets, if any, shall be transferred or conveyed to (i) one or more corporations, societies, or organizations, organized under the laws of any state, that are exempt under section 501(c)(6) of the Code, (ii) the Federal government, or (iii) a state or local government, for a public purpose, pursuant to a plan of distribution adopted as provided by law.
- E. Any assets not disposed of pursuant to the foregoing provisions of this Section 7.6 shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Institute is then located to such organizations, as the court shall determine, which are (i) organized and operated as a business league or exclusively for charitable purposes and (ii) are exempt under section 501(c)(6) of the Code.

Section 7.7 Antitrust Policy. It is the strict policy of the Institute in all its meetings and activities to adhere to the objectives of the organization and to permit no deviations therefrom. This policy is essential to avoid charges of conduct contrary to the antitrust laws.

- A. The objectives of the Institute are to advance, in all lawful ways, the efficient, effective, safe, and environmentally protective use of asphalt through engineering, research, education and testing. The Institute is not intended to, and may not, play any role in competitive decisions of its members, nor in any way restrict competition among participants in any industry.
- B. Institute members and employees shall not discuss, consider or debate asphalt prices, associated material or equipment prices, pricing practices, production costs, production targets, market division, exclusion of competitors, or any other subject prohibited by the antitrust laws.
 - 1. Neither the Institute nor any committee or activity of the Institute shall be used for the purpose of bringing about or attempting to bring about any understanding or agreement, written or oral, formal or informal, express or implied, among competitors with regard to prices, terms or conditions of sale, distribution, volume of production, territories or customers.

2. No Institute activity or communication shall include discussion for any purpose or in any fashion of pricing methods, production quotas, or other limitations on the timing, costs, volume, production, terms of sale, or allocation of territories or customers.
3. No Institute activity or communication shall include any discussion which might be construed as an attempt to prevent any person or business entity from gaining access to any market or customer for goods or services, or to prevent any business entity from obtaining a supply of goods, or otherwise purchasing goods or services freely in the market. No Institute activity or communication shall include any attempt to prevent any vendor from participating in any trade show, conference or exhibition on reasonably equitable terms with other participants.
4. No Institute activity or communication shall include any discussion which might be construed as an agreement or an understanding to refrain from purchasing any raw materials, equipment, services or other supplies from any supplier.
5. In conducting meetings, the presiding officer shall prepare and follow a formal agenda. Minutes of the meeting shall be distributed to all members participating therein. A copy of the minutes shall be transmitted to the Institute headquarters office, directed to the attention of the President.
6. In informal discussions at the site of an Institute meeting, but beyond the control of the presiding officer, all members are expected to observe the same standards of personal conduct as are required of the Institute in its compliance with this antitrust policy.
- C. If there are any violations of this policy, the offending member will be ruled out of order immediately, and a record minute will be made to that effect. In addition, the Board of Directors or Executive Committee may take such other corrective or remedial action as it deems appropriate, including without limitation removal from office or expulsion from membership.

Section 7.8 Indemnity. The Asphalt Institute shall, to the fullest extent permitted by Kentucky law, indemnify any director, officer, committee member, employee or agent of the Institute from and against any and all reasonable costs and expenses (including, but not limited to, attorneys' fees) and any liabilities (including, but not limited to, judgments, fines, penalties and reasonable settlements) paid by or on behalf of, or imposed against, such person in connection with any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative, investigative or other (including any appeal relating thereto), whether formal or informal, and whether made or brought by or in the right of the Institute or otherwise, in which such person is, was or at any time becomes a party or witness, or is threatened to be made a party or witness, or otherwise, by reason of the fact that such person is, was or at any time becomes a director, officer, committee member, employee or agent of the

Institute or, at the Institute's request, a director, officer, committee member, partner, member, manager, trustee, employee or agent of another corporation, company, partnership, joint venture, trust, employee benefit plan or other enterprise. The indemnification authorized by this Section 7.8 shall not be exclusive of any other right of indemnification which any such person may have or hereafter acquire under any provision of the Articles or these By-Laws, agreement, vote of disinterested Directors or otherwise. The Institute may take such steps as may be deemed appropriate by the Board of Directors to provide and secure indemnification to any such person, including, without limitation, the execution of agreements for indemnification between the Institute and individual directors, officers, committee members, employees or agents which may provide rights to indemnification which are broader or otherwise different than the rights authorized by this Section 7.8. In the event of an actual, threatened, or even anticipated claim, it is incumbent on the officer, director, committee member, or employee to give prompt notice to the Asphalt Institute and its insurance carrier of any action.

ARTICLE 8

BUDGET AND REVENUE

Section 8.1 Notification. For the purpose of raising the necessary revenue to implement the recommended budget, the Institute shall estimate and, by August of each year, report to each of the members the probable per-ton rates of payment that will be required of the members during the next ensuing year.

Section 8.2 Budget. The Institute shall prepare by August of each year a proposed budget for the next ensuing calendar year.

- A. The Institute, as soon after August 1 as practicable, shall furnish a copy of the proposed budget to each member for consideration and study, such consideration to be accomplished during the period August to December, preparatory to formal action by the Board at its annual meeting per Section 3.1 of these By-Laws.
- B. The proposed budget shall show proposed total expenditures and revenue to be raised for the next ensuing year, and the per-ton rates and amounts proposed.

Section 8.3 Annual Sales Reporting.

- A. On or before March first of each year, each U.S. and non-U.S. member shall report to the Director of Finance and Administration on forms provided, the total asphalt in tons as defined in Section 1.9 that such member sold, including asphalt imported for sale, during the previous calendar year, in the United States (by States) and in Canada (by Provinces). When actual specific gravity figures are not available, member companies shall use 240 gallons per ton at 60 degrees in converting total sales from gallons to tons (2,000 pounds). (Total product shall be reported; not asphalt content only.) This shall include all sales made to any United States or Canadian governmental agency, whether for use in the United States, Canada or elsewhere. Any other export sales are to be excluded.
- B. Any sale made by one member to another member, for resale within the U.S., shall be considered a sale of the original seller unless agreed to otherwise by the two members.
- C. Whenever a non-U.S. member sells asphalt to a U.S. member, for resale within the U.S., these sales shall be reported and reckoned as a part of the sales of the non-U.S. member, and must be paid at the Regular Member assessment rate by the non-U.S. member, unless the two parties agree that the sale shall be paid for by the U.S. member.
- D. Any sales made by a non-member to a member shall be considered a sale of the member, provided the sales constitute tonnage to be reported under this paragraph. A non-member company for sales reporting purposes is any company that is not a member of the Asphalt Institute as of December 31 of the reporting

year and includes companies that terminated their membership at any time during the reporting year. Sales by a prior member to a current member must be reported by the current member company for the full year of termination.

- E. Any sales made by a member to non-member shall be considered a sale of the member, notwithstanding of any agreement to the contrary between the member and non-member.
- F. The Director of Finance and Administration of the Institute shall submit to members a summary of these tonnage reports showing total tonnage and tonnage by state and province. Tonnage reports of individual members shall not be disclosed in this summary, and tonnage data from members and non-members shall not be disclosed to any person or persons except authorized employees of the Institute.
- G. Reports of sales as described in this Section are intended to reflect the location of use of the asphalt rather than the point at which the sale is made, if these should be different.

Section 8.4 Budget Ratification.

- A. The Institute, at the annual meeting of the Board, shall consider the budget proposed by the Executive Committee and shall adopt a budget including the apportionment among the respective members as may seem to it appropriate to provide for the operations of the Institute during the next ensuing year.
- B. A three-fourths majority vote of Primary Directors present, or their duly designated Alternate Directors, shall be required to adopt such budget and apportionment.
- C. Except for non-U.S. members' sales outside the United States as may be provided under Section 8.3 of these By-Laws, the computation by the Director of Finance and Administration of revenue apportionments to members shall be determined by applying to each member's reported asphalt tonnage (Sec. 4 above) the adopted per-ton rates of payment subject to the following provisions:
 - 1. No member shall be required to make payments on amounts of sales made from facilities from which asphalt sales are no longer being made by that member as of the first of the year following the discontinuance of such sales.
 - 2. Each member shall pay an annual assessment based on tonnage or in such maximum and minimum amounts as the Board may from time to time determine to be appropriate.
- D. New members without a past record of asphalt sales as contemplated in Sections 1.12 and 8.3 above shall report and pay on a current quarterly basis the greater of

(1) the minimum amount established by the Board for their membership category as provided in Article 1, Section 2, or (2) the adopted per ton rates applied to their reported asphalt tonnage as provided in Section 8.3.

- E. The amounts apportioned above shall be payable quarterly in advance, or at such times during the ensuing year as the Board shall decide.
- F. The Board may adopt special assessments for defined purposes for all categories of membership. A three-fourths majority vote of Primary Directors present, or their duly designated Alternate Directors, shall be required to adopt such budget additions.
- G. Shortly after the annual meeting each year, the Director of Finance and Administration shall cause to be mailed to each Member a copy of the revenue and budget resolutions adopted at that meeting, and of the budget adopted thereat, showing the rates of payment to be made by the various Members. If any Member desires to resign from membership in the Institute, to take effect at the beginning of the next fiscal quarter (January 1, April 1, July 1, October 1), the Member may do so under and subject to the provisions of Section 1.14 of these By-Laws.

ARTICLE 9

AMENDMENTS

Section 9.1 Procedures. These By-Laws may be altered, amended or repealed, in whole or in part, and new By-Laws may be adopted, by a majority vote of those entitled to vote, at any duly constituted annual or special meeting of the Board, provided that prior notice of the proposal to amend, alter or repeal the By-Laws, or to adopt new By-Laws, was given in accordance with applicable law. At the meeting, if a quorum is present, any amendments or changes to the By-Laws may be made as proposed or with such modifications as the meeting may adopt. However, any amendment of these By-Laws affecting the budget charges, shall be ratified by a three-fourths (3/4) majority vote of the Board at the next annual or special meeting.

Section 9.2 Notification. Within a reasonable time after any amendment, alteration or repeal of the By-Laws, or the adoption of new By-Laws, the Secretary shall notify each Director of the amendment or change; but failure to do so shall not affect the validity of such amendment or change.

This is to certify that the foregoing By-Laws changes were approved for adoption, by Resolution dated December 1, 2006.



Peter T. Grass
President



Linda M. Allin
Secretary