INVESTMENT POLICY

1.0 Purpose

This Investment Policy:

1.1 Defines the responsibilities of all involved parties.

1.2 Establishes a clear understanding of the investment principles, objectives, and guidelines for the investment assets of American Society for Nondestructive Testing (the “Fund”) that is invested through the Investment Manager(s).

1.3 Offers guidance and limitations to the Investment Manager(s) regarding the investment of the Fund.

In general, the purpose of this statement is to outline a philosophy and attitude which will guide the investment management of the Fund toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

2.0 Scope

This Investment Policy applies to ASNT Board of Directors, ASNT Business and Finance Committee, Investment Manager(s), and Executive Director in the management and governance of ASNT’s investments.

3.0 References

3.1 ASNT Policy J-03, ASNT Board of Directors Job Description

3.2 ASNT Policy J-04.06, Job Description – Executive Director

3.3 ASNT Policy J-05.10, Business and Finance Committee

4.0 Definitions

“Investment Horizon” of the Fund shall mean the time period over which the Investment Objective is expected to be met. The Investment Horizon is a rolling ten (10)-year period measured from any given date.

“Investment Manager” shall mean a fiduciary of one (1) or more individual(s) or group of individuals employed to manage the investments of all or part of the Fund. Each Investment Manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, and philosophies as outlined in this statement. A fiduciary shall be defined as having a duty of care, duty of loyalty, good faith and a legal duty to act in the best interest of ASNT.

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“Risk” shall mean (1) the probability of losing money over the Fund’s Investment Horizon; (2) the probability of not maintaining purchasing power over the Fund’s Investment Horizon; or (3) the probability of not meeting the Fund’s objectives.

“Securities” shall mean the marketable investment securities which are defined as acceptable in the Investment Policy.

5.0 Investment Objective

The Investment Objective of the Fund is to minimize the probability of loss of principal by avoiding excessive Risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index, but emphasis shall be placed on minimizing return volatility rather than maximizing total return. The Fund shall be invested with the goal of meeting the Rate of Return Target during the Investment Horizon, and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims. Cash is to be employed productively at all times by investment in short-term cash equivalents to provide safety, liquidity, and return.

6.0 Asset Allocation Guidelines

Investment of the Fund shall be in accordance with the following guidelines:

6.1 The Fund assets shall be allocated in accordance with the following asset classes.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Securities</td>
<td>65% +/- 5%</td>
</tr>
<tr>
<td>Fixed Income Securities</td>
<td>35% +/- 5%</td>
</tr>
<tr>
<td>Cash</td>
<td>The investment policy assumes investment concentration in mutual funds with daily liquidity and therefore there is no need for a minimum cash reserve.</td>
</tr>
</tbody>
</table>

6.2 Rebalancing will occur on at least an annual basis when asset class weights are more than five (5) percentage points away from the target weights or more often as contributions and disbursements are transacted, using these transactions to rebalance.

7.0 Permitted Investments of the Fund

7.1 Permitted Assets

Permitted assets include, but are not limited to, the following:
7.1.1 Cash and Cash Equivalents

a. Cash

b. Treasury Bills

c. Money Market Funds that contain securities whose credit is rated investment grade by Standard and Poor’s and/or Moody’s

d. Short-term Investment Fund (STIF) Funds

e. Commercial Paper rate A.1 (or equivalent) or better

f. Bankers Acceptances

g. Repurchase Agreements

h. Certificates of Deposits

7.1.2 Fixed Income Securities rated “investment grade” or better

a. U.S. Government and Agency Securities

b. Corporate Notes and Bonds

c. Mortgage Backed Bonds

d. Preferred Stock

e. Fixed Income Securities of Foreign Governments and Corporations

f. Planned Amortization Class Collateralized Mortgage Obligations (PAC CMO’s) or other “early tranche”

g. CMO’s Interest-Only (IO), Principal-Only (PO), and Residual Tranche CMO’s

h. Global Industry Classification Standard (GICS)

7.1.3 Equity Securities

a. Common Stocks

b. Convertible Notes and Bonds

c. Convertible Preferred Stocks
d. American Depository Receipts (ADR’s) of Non-U.S. Companies

e. Stocks of Non-U.S. Companies (Ordinary Shares)

f. Real Estate Investment Trusts (REIT’s)

g. Mutual Funds which invest in Securities

h. Global Industry Classification Standard (GICS)

7.2 Prohibited Assets

Prohibited assets include, but are not limited to the following:

7.2.1 Commodities and Futures Contracts

7.2.2 Private Placements

7.2.3 Options

7.2.4 Limited Partnerships

7.2.5 Venture Capital Investments

7.2.6 Derivative Securities

7.3 Prohibited Transaction

Prohibited transactions include, but are not limited to the following:

7.3.1 Purchasing securities on margin.

7.3.2 Pledging or selling derivative securities for speculation or leverage.

7.3.3 Pledging or hypothecating securities, except for loans of securities that are fully collateralized.

7.3.4 Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected given the objectives of the portfolio.

7.4 Diversification of the Fund

Appropriate diversification provides reasonable assurance that no single security, or class of securities, will have a disproportionate impact on the Portfolio.

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Diversification both across and within asset classes is the primary means by which the Portfolio is expected to avoid undue risk of large losses over long time periods. To protect the portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, practical precautions will be taken in the portfolio construction process in order to avoid excessive investment concentrations.

Specifically, the following guidelines will be in place:

7.4.1 Utilize incoming cash flow (contributions) or outgoing money movements (disbursements) to realign the current weightings closer to the target weightings, and

7.4.2 with the exception of (a) passively managed investments vehicles seeking to match the returns on a broadly diversified market or market sector index, and (b) fixed income investments explicitly guaranteed by the U.S. Government, no single investment security shall represent more than 5% of total plan assets, and

7.4.3 with respect to fixed income investments, the average credit quality of these investments shall be investment grade (Standard & Poor’s BBB; Moody’s Baa) or higher, and

7.4.4 in addition, all investments within each asset class and sub asset class shall meet all other standards of prudent diversification and risk management.

8.0 Liquidity

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, ASNT Staff will periodically provide the Investment Manager(s) with an estimate of anticipated cash withdrawals.

9.0 Investment Management Performance Review and Evaluation

The Portfolio’s composite investment performance (net of fees) will be judged against the following standards:

9.1 The Portfolio’s absolute long-term real return objective over a suitably long-term investment horizon generally across full market cycles or, at a minimum, a rolling five (5)-year basis.

9.2 A composite benchmark consisting of the following unmanaged market indices weighted according to the expected target asset allocations stipulated by the Portfolio’s investment guidelines:
9.2.1 U.S. Equity: CRSP U.S. Total Market Index or a similar broad domestic equity index such as the Russell 3000.

9.2.2 Non-U.S. Equity: FTSE Global All Cap ex US index or a similar broad international equity index

9.2.3 U.S. Investment Grade Fixed Income: Barclays Capital U.S. Aggregate Float Adjusted Index

9.2.4 Non-U.S. Investment Grade Fixed Income: Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged)

9.2.5 Real Estate Investment Trusts: MSCI U.S. REIT index

9.2.6 Cash: Citigroup three (3)-Month T-Bill Index

10.0 Responsibilities

10.1 Business and Finance Committee

10.1.1 To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in the Investment Policy, the Business and Finance Committee plans to review this Investment Policy at least annually.

a. At each of its meetings, conduct a review of the performance of the investments relative to the established targets;

b. at least annually, meet with the investment advisors to review investment performance and any matter related to management of the investments.

c. Recommend for approval by the Board of Directors, the selection of (or change in) professional investment advisors as presented by ASNT Staff.

10.2 Board of Directors

10.2.1 Act upon recommendations put forward by the Business and Finance Committee relating to the investments;

10.2.2 annually review the performance of the investments.
10.3 Executive Director

10.3.1 Advise the Business and Finance Committee of any matters related to the investments that they should know about;

10.3.2 Offer advice to the Business and Finance Committee and the Board of Directors;

10.3.3 Prepare the required presentations of investment performance for the Business and Finance Committee and the Board of Directors;

10.3.4 Work with the professional investment advisors to ensure that investments are made according to this policy.

10.3.5 Research and select potential professional investment advisors for recommendation to the Business and Finance Committee.