

Antitrust Compliance Policy



Lehigh Hanson
HEIDELBERGCEMENT Group

INTRODUCTION

This Antitrust Compliance Policy (United States) (the “Policy”) implements in the United States the more general HeidelbergCement Group Competition Law Guideline and applies to the activities of all companies of the HeidelbergCement Group in the United States (referred to collectively for convenience as the “Company”). This Policy is the primary source of guidance to Company employees in the United States on acceptable conduct in competition related matters.

1. COMMITMENT TO COMPLIANCE

The Company's policy is to compete vigorously and fairly and in compliance with applicable antitrust laws. All Company employees are expected to comply with the antitrust and competition laws and this Policy. No supervisor or management employee has the authority to direct or approve any action by a Company employee in violation of these laws or this Policy.

The consequences of antitrust violations under United States laws are serious and far reaching. Moreover, the defense of an antitrust investigation or litigation, even if ultimately successful, is nevertheless expensive and disruptive to the Company and its business. The Company's policy, therefore, is not only to comply with such laws but also to avoid conduct likely to lead to illegal conduct or that creates an appearance of illegal conduct and thereby attract an antitrust investigation or claim. **Accordingly, violations of this Policy may subject an employee to disciplinary action (including discharge), whether or not an actual violation of antitrust laws is determined to have occurred.**

2. RESPONSIBILITIES

2.1 Employees Generally

Each employee is responsible for compliance with antitrust laws and this Policy in the course of his or her activities as a Company employee.

2.2 Key Compliance Employees

Senior managers and managers involved in sales, procurement and M&A projects are most likely to encounter antitrust issues in the normal course of their employment and in this Policy they are referred to as “Key Compliance Employees”. Without diminishing the compliance responsibility of Company employees generally, each Key Compliance Employee has a particular responsibility to:

- Become familiar with this Antitrust Policy,
- Participate in the antitrust compliance training provided by Lehigh Hanson or through Group resources,

- Avoid conduct that violates antitrust laws or this Policy,
- Seek guidance from the Legal Department if uncertain whether any particular conduct would violate antitrust laws or this Policy, and
- Report any incidents or questionable conduct in accordance with this Policy.

2.3 Supervisors and Managers

Supervisors of Key Compliance Employees are responsible for monitoring the conduct of such employees to assure compliance. Accordingly, such supervisors themselves must become familiar this Policy and participate in Company provided antitrust training. Supervisors are to assure that each Key Compliance Employee is provided with this Policy, understands its application to his or her particular job, participates in the compliance training provided by the Legal Department from time to time and acknowledges his or her commitment to comply with the Policy as such acknowledgments may be requested by the Company from time to time in accordance with this Policy.

2.4 General Compliance Responsibility

Overall responsibility for compliance lies with the President of Lehigh Hanson, with the support and assistance from the Lehigh Hanson Legal Department.

3. CONDUCT GUIDELINES

This Policy provides some basic guidance to govern employee conduct and will help employees identify areas where potential antitrust compliance issues may arise. In addition, compliance training and other supplemental materials will be provided to further help employees understand the principles aspects of antitrust laws. However, antitrust laws are complex and evolving and employees should seek the advice from the Lehigh Hanson Legal Department whenever a possible antitrust problem arises, as this Policy requires strict compliance with these laws.



3.1. Relations with Competitors

3.1.1 No Price Related Communication

An employee or Company agent may not have any discussion or communication with any representative of a competitor concerning:

- prices, pricing policies, contract bids, components of price, discounts, terms and conditions of sale,
- dealings with particular customers or plans to do so in the future,
- the territories in which the Company plans to sell products, or what product lines it intends to sell in the future, or
- costs or production levels.

Any form of collusion in bidding or pricing is absolutely forbidden. An employee, directly or through an intermediary, may not discuss with any competitor a decision to bid, not to bid, or the price at which the Company will bid. Complementary, phony or “cover” bids are prohibited.

If an employee receives an improper communication from a competitor, e.g., an invitation to exchange price information, allocate customers or territories, or participate in a price fixing scheme, in addition to clearly declining the invitation, the employee must immediately contact a Company Attorney so that the Company may take any additional measures necessary to disassociate the Company from the suggested activity.

3.1.2 Independent Price Decisions

Company prices must be determined independently, in light of Company costs, market conditions and competitive prices. Competitive prices may be considered in determining our own prices, but a competitor's prices should be obtained from public sources, published lists or from customers, and not from competitors. Company employees may not exchange price lists with a competitor and should discourage competitors from sending price information to the Company. Where the Company is in possession of a competitor's price information, such as its price lists or price announcements, the source of that information should be documented.

3.1.3 Dual Relationship

Sometimes a competitor may also be a customer, supplier or subcontractor. In such cases employees must be careful not to discuss with a customer or supplier matters affecting other areas of competition with that customer or supplier. Price discussions should be limited to existing prices for the product to be purchased or sold. Any contact with a subcontractor who is also a competitor must not affect the way competitive bids are submitted.

3.2. Relations with Customers and Suppliers

3.2.1 Exclusive Contracts

Do not require a customer to buy products only from the Company except after consultation with, or pursuant to an agreement approved by, the Legal Department. While often lawful, exclusive or requirements contracts in certain circumstances raise antitrust concerns, especially where the Company has a large market share.

3.2.2 Tying Arrangements

Do not condition a customer's ability to purchase one product from the Company on a requirement that it also purchase another product from the Company without first consulting with the Legal Department. Although "package deals" are not necessarily unlawful and may in fact be pro-competitive, in some circumstances they can constitute illegal "tying" arrangements, especially where the Company has a large market share in the "tying" product.

3.2.3 Verification of Competing Quotes

If a customer asks the Company to meet a price quotation from a competitor, the Company may or may not decide to meet the competing price quotation, but in no event may any Company employee contact the competitor to verify the competing quotation.

3.2.4 Predatory Pricing

Do not sell at a reduced price for the purpose of injuring competition. Sales below average cost may be presumed to be for that purpose, especially where the Company has a large market share.

3.3. Trade Associations

Because they involve meetings of competitors, many indictments for antitrust crimes arise from activities related to trade associations. Do not join or participate in a trade association without prior approval of the Legal Department. Company employees must be wary of any improper



suggestions or discussions at trade association meetings relating to competition. The Company and its employees could become entangled in expensive litigation involving the improper activity of others merely by an employee being present when improper matters (e.g., prices, bids, customer allocations, territorial divisions) are discussed. As a general rule, any information that would be improper to exchange directly with a competitor would be improper to exchange with a trade association.

3.4. Documents and Presentations

Careful language will not avoid antitrust liability when the conduct involved is illegal, but it is possible that lawful conduct could become suspect or the subject of antitrust litigation because of a poor choice of words or a misleading manner of expression. Care should be taken in Company communications and presentations to avoid careless or inappropriate language which could be misunderstood in an antitrust context. Keep communications factual and avoid provocative or judgmental language. In particular, avoid wording that, while the intended meaning may seem clear to you, could be misunderstood by someone else as suggesting an illegal agreement or cooperation among competitors on prices or related matters.

3.5 Preservation of Evidence and Documents

Records or other Company property pertaining to any matter which is the subject of on-going or threatened antitrust litigation or government investigation must not be destroyed or altered without the prior approval of a Company Attorney. This includes email and other information stored electronically. Such “spoliation” of evidence can subject the Company to onerous sanctions and undermine its ability to defend or assert its position in such litigation or investigation.

It is common for prosecutors in antitrust cases to include allegations of obstruction of justice and similar charges relating the destruction of documents after the investigation had commenced.



4. LEGAL CONSEQUENCES

4.1 Criminal Penalties

The legal consequences of violating United States antitrust laws are onerous. Criminal violations are subject to penalties of \$100,000,000 for corporations and \$1,000,000 and 10 years imprisonment for individuals. In a criminal prosecution, it is the practice of the United States Department of Justice to seek fines and jail sentences of corporate officers and employees engaging in such illegal conduct. Sentencing guidelines further allow the monetary penalties to be enhanced by an amount equal to twice the gain to the offending company or loss to consumers due to the illegal conduct.

4.2 Leniency Policy

The United States Department of Justice has a formal leniency policy. In general, to qualify for leniency the company must report the illegal conduct, including the identity of the other participants in any conspiracy, and agree to cooperate in the investigation before the department is aware of the matter or has commenced an investigation. Generally, leniency is only available to first conspirator to report and cooperate; it is not available to co-conspirators who may later report. Consequently, this leniency policy has created powerful incentive a party engaged in illegal collusive conduct to be the first to report once it becomes aware of the illegal conduct and has lead to numerous investigations and convictions.

4.3 Debarment

Violation of antitrust laws may also result in debarment of the Company from certain government contracts.

4.4 Private Actions

In addition to enforcement by government agencies, United States antitrust laws may be enforced by private civil actions in which successful plaintiffs are entitled to recover treble damages as well as attorney fees. These include class actions brought on behalf of large groups of affected plaintiffs seeking tens or hundreds of millions of dollars in damages.

As a successful civil action requires a lower burden of proof than a criminal prosecution, a civil antitrust action may be brought even though government prosecutors do not pursue criminal action and, if a criminal prosecution is brought, may be brought in addition to the criminal prosecution.

4.5 Employee Discipline

A violation of this policy, including engaging in prohibited conduct, may be the basis for disciplinary action (including discharge), whether or not any liability to a government agency or a third party incurred.

5. INFORMATION AND TRAINING

5.1 Publication of Policy

This Policy will be placed on the Company website and available to all Company employees.

5.2 Key Compliance Employees

5.2.1 New Employees

At the time a Key Compliance Employee is hired, the employee must be given a copy of this Policy and trained in their application. The employee's supervisor is responsible for assuring that the employee receives and is familiar with this Policy.

5.2.2 Acknowledgments

Each Key Compliance Employee must acknowledge and certify that he or she has reviewed and is familiar with this Policy. This acknowledgment shall be made at the periodic request of a Company Attorney, which shall be no less frequently than every two years.

In order for the Legal Department to request such acknowledgments, the Region President with respect to the operating regions, and the President of Lehigh Hanson with respect to the central corporate functions, shall identify to the Legal Department the Key Compliance Employees in such region or corporate functions.

The acknowledgement shall be in a form prepared by the Legal Department and may consist of a reply email acknowledging receipt and review of this Policy or provided in conjunction with a compliance training program. The Legal Department is responsible for maintaining the records of such acknowledgments.

5.2.3 Training

The Legal Department is responsible for developing and presenting compliance training in antitrust laws and this Policy. Key Compliance Employees should receive such training at least once every two years. Supervisors are responsible for assuring that their Key Compliance Employees take part in such training.

6. REPORTING

6.1 Suspected Violations and Investigations

If an employee becomes aware of any conduct by the Company or persons outside the Company which may involve a violation of antitrust laws or this Policy or that the Company may be subject to an antitrust investigation or claim, the employee must promptly advise an attorney in the Legal Department. This communication may be subject to the attorney-client or other privilege and the Company Attorney will advise the employee on the steps to be taken to avoid an inadvertent waiver of that privilege.

The contact information for the Company Attorneys is included at the bottom of this Policy. It is very important that proper Company officials know as soon as possible of any potentially illegal behavior involving the Company in any way.

If anonymity is desired, an employee may report the matter on the existing compliance hotline: 1-800-461-0330 or www.MySafeWorkplace.com.

6.2 Group Reporting

The Legal Department is responsible for coordinating the review of such reports with appropriate managers and assuring reports are made in accordance with the Group Competition Law Guideline.

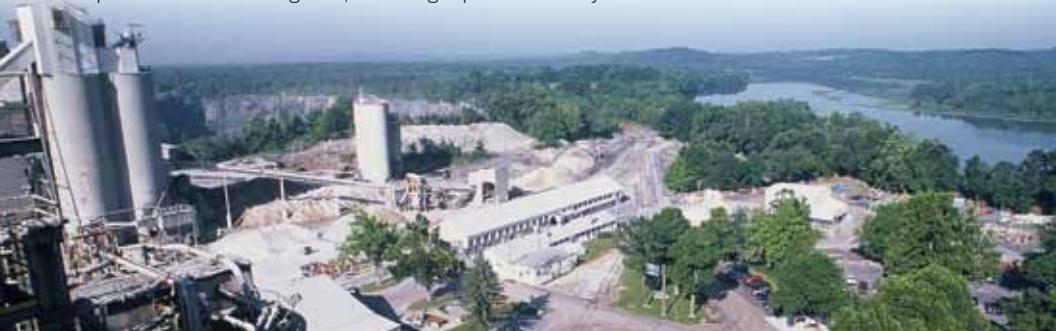
7. INVESTIGATIONS AND INFORMATION REQUESTS

7.1 Agency Contact and Information Requests

Antitrust investigations are often commenced with a formal or informal request for information. If a Company employee is contacted by any person, including any law enforcement official or a private attorney or investigator, in connection with any antitrust investigation, such employee must promptly notify a Company Attorney. This includes any requests by the federal Department of Justice, Antitrust Division (including a civil investigative demand or contacts by or requests through the Federal Bureau of Investigation), the Federal Trade Commission (including a subpoena or requests for information) or any state attorney general's office.

Before responding to any such information request or answering any questions, the employee should note the name, title and agency of the person contacting the Company and provide such information to a Company Attorney. The Company Attorney is responsible for confirming the purpose of the request and advising the employee on whether and to what extent the Company is obligated to respond.

The Company cooperates with reasonable information requests from government agencies. However, the Company is entitled to all the safeguards provided by law for the benefit of persons under investigation, including representation by counsel.



7.2 Search Warrants

A search warrant is an order by a court, or in some cases an administrative agency, authorizing government agents to search certain premises. An employee must notify his or her supervisor and a Company Attorney immediately of any search warrant served at any Company site and provide the attorney with a copy of the warrant.

If served with a search warrant, the senior Company official at the location should inform the law enforcement official serving the warrant that the Company will cooperate, but ask the official to delay the search a few minutes while the employee contacts the Company's attorneys. If the agents refuse to wait, the Company must allow them to proceed. A Company employee should note the names, titles and agencies of those law enforcement officials participating in the search and should accompany them throughout the search.

The officials named in the warrant are only allowed to search those premises or files identified in the search warrant. The Company official should not allow them to search areas beyond those described in the warrant. Company employees are not required to answer questions or submit to an interview, and should not do so if asked. Company employees are not required to consent to the search and should not do so if asked. Company employees should not consent to a search broader than the search described in the warrant.

A Company employee should ask for a detailed inventory and, for business operational purposes, copies of all documents or other items seized.



8. CONTACT INFORMATION

For more information or questions concerning this Policy or antitrust laws, contact one of the following:

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