



**COMPETITION COMPLIANCE  
PROGRAM**

# Contents

<b>FOREWORD .....</b>	<b>3</b>
<b>COMPETITION POLICY .....</b>	<b>5</b>
<b>IMPLEMENTATION GUIDELINES .....</b>	<b>7</b>
<b>I - ESSENTIAL RULES .....</b>	<b>7</b>
1. Agreements with Competitors (horizontal agreements) .....	7
2. Agreements with customers and suppliers (vertical agreements).....	10
3. Dominant position .....	11
4. Mergers, Acquisitions and Joint Ventures.....	14
5. Professional associations .....	16
6. Oral and written communication .....	21
7. Document retention policy .....	22
8. Dawn raids.....	23
<b>II- IMPLEMENTATION/AWARENESS.....</b>	<b>27</b>
1. Cascading of the Policy and Compliance Program.....	27
2. Awareness, training and information.....	29
3. Enforcement, reporting and verification .....	30
4. Infringement of the Policy .....	31
5. Compliance queries .....	31
 ANNEX 1.....	 33
ANNEX 2.....	34

## FOREWORD

Competition is necessary to achieve economic efficiency and is one of the essential conditions of a market economy. Lafarge is committed to the preservation of vigorous, healthy and fair competition and to complying with relevant competition legislation.

In 2004, Lafarge issued a Competition Policy defining the business framework under which it intends to conduct its activities with a view to complying with evolving regulatory antitrust guidelines and competitive environment factors:

- The globalization process has generated significant reforms in many countries towards economic liberalization and free competition, and as a result an emerging “level playing field” is progressively arising throughout the world. International bodies like OECD actively encourage governments to fight against anti-competitive practices (with recommendations on best practices on competition law and dissemination of worldwide competition standards);
- Most policy makers and enforcement authorities generally regard competition laws as a cornerstone of competitiveness, insofar as “competition on merits drives companies to provide high-quality, innovative products and services at attractive prices, to exploit economies of scale and increase productivity, with indirect benefits of a more competitive economy, social cohesion, high-quality public services, security and environmental protection”;
- Lafarge has a long tradition of setting and complying with high standards of business behaviour, especially in the fields of corporate social responsibility, good citizenship and sustainable development, which often goes beyond the applicable laws and regulations of those countries where it operates.
- In the recent years, the fight against cartels and anticompetitive behaviours has been a driver of competition authorities. For instance, the European Commission following the US model, recently restated that “cartels (and other anticompetitive practices) inflict severe damage on both the European and global economy and reduce the quality, diversity and level of innovation”. This trend is also applicable in other regions of the world (eg Africa and Middle East, South America, Asia): the majority of countries have already enacted or strengthened their antitrust legislation, and many others may enact new legislation within the near future.

After more than 3 years of implementation, Group has decided to revise the Policy and provide good practice/implementation guidelines in order to capitalize on the experience gained; to ensure dissemination of the antitrust awareness culture and; to secure its applicability on a group-wide basis.

Lafarge employees and business partners (eg suppliers, consultants, advisers or any other form of service providers) should feel personally responsible for the strict application of the Policy throughout the Group at all times and in all countries where the Group operates, especially with the nature and seriousness of the risks likely to result from any infringement to competition legislation:

- *Fines*: Companies that infringe antitrust rules can face significant fines. For instance, the EC can impose fines of up to 10% of the consolidated total turnover of Lafarge Group. In order to increase the deterrent effect of fines, factors such as the size of the offender, the gravity of illegal business practices at stake (eg so called “hard core” cartels agreements), the duration of the illegal practices and the existence of repeat offences are taken into account. It is worth noting that in many countries there is no statute of limitation regarding the so-called “repeat offender” status. In many countries, the amount of fines imposed tend to increase dramatically especially because of the efficiency of the leniency programs and the “whistle blowing effect”.
- *Civil Liability*: companies may be sued for damages by those who can demonstrate that they have sustained losses as a result of anti-competitive practices. This risk is very significant in the USA with the “treble damage sanctions” and the class action procedure. Such actions are also emerging outside the USA. For instance, the EC wishes to encourage private antitrust damage actions through all possible legal means.
- *Criminal risk*: in many jurisdictions, the company’s executives and employees involved in illegal practices (breach of antitrust laws) can be criminally sanctioned. There is a growing tendency in many countries, as in the USA, to enforce criminal prosecutions for breaches of antitrust legislation.
- *Contractual risk*: Any contractual provision which infringes antitrust laws is generally void and cannot be enforced in the courts. Moreover, the entire contract could also be invalidated in certain circumstances and jurisdictions.
- *Reputation risk*: infringement of antitrust laws is more and more perceived by the stakeholders as unethical behaviour, which can seriously impact the image and reputation of the group, and also affect its ability to convince that it observes highest standards of corporate governance. Share price can also be significantly affected. Recent studies tend to show a correlation between cartel investigations and decrease of share price.

In light of the foregoing, it is of the utmost importance for employees to understand fully that any breach of applicable competition laws and/or this Policy might be to the extreme detriment for the Group and will not be tolerated.

Competition law can be complex (both from an economic and legal perspective). For example, in extreme situations, governments may request Business Units or employees to act in contravention of this Policy, while in other cases, compliance with these guidelines may sometimes be delicate to assess because of factors such as a high degree of concentration; transparency of the relevant market or; the particularity of the applicable law. Consequently, employees are required to obtain professional legal advice in order properly to assess a given situation on a case by case basis and according to the applicable law.

## COMPETITION POLICY

**Applicability:** This Policy applies to companies, controlled or co-managed by Lafarge. It also applies to (i) relevant Lafarge employees who are directly or indirectly involved in commercial activities and/or who come into contact with customers, suppliers and competitors and (ii) relevant Lafarge business partners (eg suppliers, consultants, advisers or any other form of service providers). Implementation, compliance and verification are required both in the prime activity of the BU (eg cement, ready mix and concrete, aggregates, gypsum) and in associated activities (eg waste management business, slag processing, ash trading, mortar business, paper business, etc) as well as in peripheral offices (eg regional sales offices etc).

**Objectives:** The objectives of this Policy are to provide a framework to employees not only to ensure compliance with legislation on a country-by-country basis, but also to develop a consistent approach so that, wherever the Group operates under the “Lafarge” name, employees apply business practices which are in line with our reputation and standards.

**Compliance:** Lafarge-controlled Business Units and relevant Lafarge employees must, comply with the applicable competition legislation and the rules set out in this Policy. In geographical areas, where legislation has not yet been adopted, appropriate procedures (agreed with the Group Competition Team) should be designed with a view to adapting the antitrust rules and standards contained in this Policy to the specific legal and business background of the relevant countries.

**Implementation Support:** Support and guidance to Business Units and relevant employees on how to ensure compliance with this Policy include:

- **Implementation Guidelines:** These are attached to this Policy. These are intended to provide guidance to Business Units and relevant employees on required practices to ensure compliance.
- **Legal Support:**
  - The Company will maintain a Group Competition Team within the Group Legal Department comprising dedicated central legal resources, qualified and experienced in antitrust law, to support Business Units and employees in the implementation of this Policy.
  - Business Units will also formally nominate BU Competition Correspondents in agreement with the Group Competition Team (to whom there will be a functional reporting relationship) to provide support on antitrust issues and to implement the Policy in their respective countries. The Group Competition Team will work with the BU Competition Correspondents to form a Group Competition Network for regular exchange of best practices and information. External lawyers may be involved by the relevant members of the Group Competition Team if and when necessary.
  - The Policy and Implementation Guidelines do not describe every situation where antitrust issues might arise and are no substitute for

specific legal advice. Lafarge Group rules require that Business Units and employees must obtain advice from the Group Competition Network when faced with a particular competition law issue or when in any doubt about compliance.

- **Training:** The Company will provide a rolling programme of training and communication to maintain awareness throughout the Group. This programme will include variously: training sessions; web-based training modules; communications on antitrust developments; updates of the Implementation Guidelines and; visits by members of the Group Competition Team to Business Units. Employees benefiting from such programme of training shall be requested to sign a Confirmation Form (see Annex 1).
- **Verification:** The Group Competition Team will arrange periodic compliance audits, including investigations to verify compliance.

**Condition of Employment:** Compliance with this Policy is a Condition of Employment, and breaches will not be tolerated.

Any breach of this Policy can result in sanctions of the responsible employees, consistent with applicable labour law.

**Updating of the Policy:** This Policy revises and replaces the Lafarge Competition Policy dated February 4, 2004 and is **effective from October 1, 2007**. The Policy and Implementation Guidelines will be amended from time to time, when deemed appropriate, based on the experience gained and the evolutions of laws and jurisprudence.

## IMPLEMENTATION GUIDELINES

### I - ESSENTIAL RULES

Despite a lack of uniformity, especially when it comes to procedural aspects, there is a growing trend towards harmonization of competition legislation in all countries where the market economy and free competition have been adopted as the best model for economic development.

The purpose of this Compliance Program is to give a brief overview of core principles of competition rules applying in most countries. It is not intended to be exhaustive and should be read and construed in accordance with applicable laws in each country under the guidance of the Group Competition Team.

#### 1. Agreements with Competitors (horizontal agreements)

For competition law purposes, the term “agreement” has a very wide meaning and includes all kinds of collusive arrangements and understandings between two (or more) competitors. By entering into these collusive agreements, independent competitors (two subsidiaries controlled and managed by Lafarge Group are not considered as independent competitors) attempt to avoid the rigours and uncertainty of a competitive marketplace.

These collusive agreements may be formal or tacit, written or oral, signed or unsigned, legally binding or not, applied or not. “Concerted practices” are also regarded as “agreements” especially on concentrated markets. The existence of illegal agreements can be inferred by competition authorities from a minimal amount of circumstantial evidence. As a matter of principle, the burden of proof lies with the competition authorities.

The specific situation relating to joint-venture agreements between competitors is addressed in section 4 hereafter (including applicability of non-compete and exclusivity provisions deriving from shareholders’ agreements).

⇒ ***Do make all business decisions on the basis of independent judgement and not on the basis of direct or indirect illegal agreements with competitors.***

However, not all agreements with competitors are illegal. Agreements with competitors that don’t restrict competition are legal (e.g. research and development pools, “swaps”, specific consortia, joint bids in the open, buying and selling of our products with our competitors if on an arm length basis, etc...) but should sometimes

be notified to the relevant competition authorities, depending on the nature of the contemplated agreement and the applicable jurisdiction.

- ⇒ **Do** consult with the Group Competition Network before entering into an agreement with one of our competitors, so to verify that such contemplated agreement is legal and to take any appropriate advice as to its applicability (including notification required to a competition authority, if required, or specific precautions or safeguards to meet legality conditions).
- ⇒ **Do** also consult with the Group Competition Network each time you think that the provisions of sections 1.1 to 1.5 require guidance in the light of a specific business context that you are facing. The said prohibitions may sometimes not be applicable to certain situations, for instance in the ordinary course of business.
- ⇒ **Do** refer to section 4 of this Program for any question related to existing or future joint-venture with a competitor.
- ⇒ **Do** refer to the responsible member of the Group Competition Network before meeting with competitors in situation where you may have a doubt as to the legality of such contacts (a “competitors’ contact form” will be put in place in all Business Units to ensure transparency of such contacts, see Annex 2 ).

In principle, and subject to the foregoing, any discussion and/or agreements between competitors is prohibited where pertaining to the following subjects:

### **1.1. Prices**

Any agreement that affects prices (eg price increase, decrease or stabilization; fixing of maximum or minimum prices, discounts, rebates, warranties, terms of sale, transportation charges, credit terms, profit margins) is illegal.

A simple exchange of information in this area, even if it relates to the prices actually quoted on the market, may create a presumption of a cartel agreement, especially in oligopolistic situations.

The oligopolistic nature of a market is assessed or based on several criteria : number of competitors, existence of structural links between them, combined market shares of the main competitors, barriers to entry (eg investment required to become a player on the market) and homogeneous nature of the product.

- ⇒ **Do** avoid any discussion relating to prices or pricing policies with a competitor.
- ⇒ **Do not** indicate to your competitors that you will follow their lead if they increase their prices.
- ⇒ **Do** terminate immediately a conversation/discussion with a competitor (eg during association meetings), if he tries to talk about prices.
- ⇒ **Do** refrain from any exchange of price lists with competitors.
- ⇒ **Do** obtain information related to competitors' prices and sales conditions only from your customers or public sources (any legal source other than a competitor) or internet market intelligence sources.



- ⇒ **Do** use information obtained from competitor's former employees with extra care. This might be qualified as unfair competition.
- ⇒ **Do not** send the price increase announcements to your competitors and do not accept to receive the competitors' price increases from the competition.

### **1.2. Sales/Quota agreements (Market sharing)**

Market sharing is a particularly serious matter. You should avoid any discussion or commitment related to volume or market share percentage.

- ⇒ **Do not** agree with your competitors on sales volume or any market share percentage.
- ⇒ **Do not** agree with your competitors to limit supply in order to increase prices or stabilize the market.

### **1.3. Territorial allocation and restrictions**

Any allocation or restriction of sales territories between competitors is unlawful. Subject to any valid non-compete undertakings, agreements to sell, or to refrain from selling, or to limit sales on a given geographic market or territory, are prohibited.

- ⇒ **Do not** agree to refrain from competing in a given geographical market, unless a formal/valid non-compete agreement exists.

### **1.4. Allocation or restriction of customers**

Any allocation of customers or certain customer categories between competitors is unlawful. Commitments among competitors to sell or refrain from selling (including "bid rigging") to a customer or a particular customer category are also prohibited.

- ⇒ **Do not** agree on the following: "I shall not deliver Product X to your customers; you shall not deliver Product Y to my customers".
- ⇒ **Do not** agree with your competitors to boycott (refuse to sell) or to treat a given customer unfavourably.
- ⇒ **Do not** agree with your competitors to refrain from marketing or selling your products to certain categories of customers.

### **1.5. Agreements to limit production or capacity**

Any agreement between competitors which tends to limit production, capacity or output is unlawful. Commitments to comply with production or capacity levels are also prohibited.

- ⇒ **Do not** agree with your competitors on a maximum permissible volume of output for each of you.

- ⇒ **Do not** agree with your competitors not to open new production plants or to limit your production capacities.

## **2. Agreements with customers and suppliers (vertical agreements)**

Unlike agreements with competitors, many agreements with customers/suppliers are necessary and entirely appropriate in the course of our day-to-day business. The following types of vertical agreements between a Lafarge subsidiary and its independent customers (agents working on behalf of the company are not considered as independent party for this purpose) require the following rules to be observed as conditions for validity:

### **Resale price agreements**

- ⇒ **Do not** fix the resale price to your customer/distributor.
- ⇒ **Do not** fix a minimum resale price to your customer/distributor.
- ⇒ **Do not** fix the profit margin of your customer/distributor or the maximum level of discount that he can give to his clients.
- ⇒ **Do not** make the grant of rebates or the sharing of promotional costs conditional on adhering to a given resale price.
- ⇒ **Do not** link the resale price of your customer/distributor to the resale price of your competitors.
- ⇒ **Do not** use threats, intimidation, warnings, monitoring penalties, delay or suspension of deliveries as a means of fixing the resale price.
  
- ⇒ **Do** consider imposing a maximum resale price (i.e. a price above which the buyer may not sell the goods).
- ⇒ **Do** consider recommending a resale price (it should be unilaterally suggested with no effect of a fixed or minimum price as a result of pressure or incentives).

### **2.2. Resale territories agreements**

- ⇒ **Do not** oblige your customer to resell your product in a given territory.
- ⇒ **Do not** prevent your customer from reselling your product in a given territory.
- ⇒ **Do** require your distributor (in case of a distribution network) not to promote active sale out of his allocated territory (the distributor should not prevent passive sale).

### **2.3. Exclusive distribution agreements**

- ⇒ **Do** justify the objective purpose of choosing exclusive distribution (customer will promote your products, you'll invest in the customer training ...) as your sales method.
- ⇒ **Do not** prohibit unsolicited/passive sales by exclusive distributor out of their assigned territory.

- ⇒ **Do not** have exclusive agreements (to buy, sell or limit the territory) of a long duration (to be determined based on local legislation and subject to circumstantial analysis) when you have a relatively large market share (e.g. 30% or more): it could be construed as restriction of competition on the relevant market. If in doubt, please refer to the relevant member of the Group Competition Network.

#### **2.4. Discriminatory practices**

- ⇒ **Do not** offer discriminatory prices, tariff conditions, payment methods etc... to competing customers of the same class for the same product, without objective and fair justification (cost saving, volume of purchase, promotional services, contractual conditions, duration of the commercial contract, meet competitor's (including importers') price, etc...).

#### **2.5. Tie-in sale**

- ⇒ **Do not** make entering into commercial relations conditional upon the acceptance of unrelated additional services, without justification,
- ⇒ **Do not** force your customer to buy a product in order to purchase another product,
- ⇒ **Do** sell two products together as a package, only if the customer can also get them separately.

Before entering into a vertical arrangement, you need to evaluate your position as supplier on the market. The Group Competition Network should review the situation on a case-by-case basis and advise on the legality of certain business practices.

### **3. Dominant position**

This concept covers unilateral or collective behaviours by a company or a group of companies and applies to:

#### **3.1. Dominant position**

A company has a dominant position if it enjoys a position of economic strength (and market power) which enables it to prevent effective competition and to behave independently of its competitors, customers, and consumers to an appreciable extent.

The position starts to be assessed taking into account the company's market share. Very large market shares, maintained stable for a long time can be considered as evidence for the existence of a dominant position. In practice, a company is unlikely to be individually dominant if its market share is below a certain percentage (25% according to some laws and/or jurisprudence).

- ⇒ Market shares are calculated on the basis of geographical and product market (“relevant market”). In our industries, such relevant markets are local, regional or national. For each of our products (cement, gypsum, aggregates and concrete) the assessment of a potential dominant position (whether alone or collectively) should be monitored on a continuing basis in each country where we operate. Where we consider that the company holds a dominant position, specific decisions may have to be taken in order to prevent any aggressive behaviour.

Other factors should also be considered in the assessment of the position: the competitors’ market shares, the potential for other companies to enter the market (high barriers to entry or not), the transportation cost, the extent of power buyers, etc...

The high transparency (visibility and predictability of competitors’ behaviour) and the structure of the market with few main competitors that have similar market shares and acting in the same manner (parallel behaviour), even without collusive agreements between themselves, could be considered by competition authorities (in some countries) as collective dominant position of these companies.

### **3.2. Abusive behaviour**

A dominant position in itself is perfectly legal. However, dominant companies have a special responsibility to behave fairly. They have to comply with special rules that are designed to protect competitors, customers and market structure from abusive behaviour. Thus, many of the commercial policies and tools that are legal for a non-dominant company may be abusive if carried out by a dominant company. As a result, you should act carefully when enjoying a dominant position (unilateral or collective) so to avoid any abuse of such dominant position.

The following are examples of abuse:

#### **3.2.1. Price Abuses**

##### *- Discriminatory pricing*

- ⇒ **Do not** offer discriminatory prices, tariff conditions, payment methods etc. to competing customers of the same class for the same product, without objective and fair justification (cost saving, volume of purchase, promotional services, contractual conditions, duration of the commercial contract, meet competitor’s (including importers) price, etc...).

##### *- Predatory pricing*

- ⇒ **Do not** reduce prices below cost to exclude a competitor from the market or to prevent the entry of a new one. The definition of “cost” may vary depending on the situation and jurisdiction at stake (e.g. average variable cost; average total cost). For instance, predatory pricing is presumed to exist if the prices below cost charged by the dominant undertaking are part of a plan to eliminate a competitor.

- *Excessive pricing*

- ⇒ **Do not** charge excessive prices due to lack of competition (excessive pricing is determined by relating to the “reasonable reference to the economic value of the products or services supplied”).
- ⇒ **Do** benchmark your prices with comparable prices of other competitive products or in geographic neighbouring markets.
- ⇒ **Do** always keep in mind that in various countries, the conjunction of dominant position (collective or single) and high market prices is often regarded as suspicion of abuse.

- *Fidelity rebates/discounts*

- ⇒ **Do** have a transparent, written and objective “rebates and discounts” policy.
- ⇒ **Do** base the “rebates and discounts” policy on efficiency gains and cost savings such as volume.
- ⇒ **Do not** condition the rebates on the purchase of all or large portion of the customer’s requirement from you.
- ⇒ **Do not** base a rebate on previous years’ sales, unless after having consulted with the Legal Department to check conformity of such practice with local law.
- ⇒ **Do** give reasonable price reduction in exchange for real services performed by the customer (warehousing, servicing, promotions ...).

3.2.2. Exclusive Obligations

- ⇒ **Do not** require a customer to purchase products only from you, for a long period (to be determined based on local legislation) without objective and fair justification, or if deriving from a legally agreed shareholders’ agreement.

3.2.3. Tying and bundling

- ⇒ **Do not** require from your customers to purchase one (less desirable) product in order to obtain another (more desirable) product.

3.2.4. Refusal to supply

- ⇒ **Do not** refuse to sell to any actual or potential customer unless objectively justified (capacity constraints, credit worthiness, contractual obligations ...).

3.2.5. Barriers to entry

- ⇒ **Do not** put barriers for the entry of potential competitors (buying all available quarries and/or lands, tying up slag/fly ash supply ...) by using illegal or deceptive practices.
- ⇒ **Do not** collude with competitors or any other parties in order to prevent the entry of potential competition on the market.

Defining the market, determining whether the company is in a dominant position or not and if its behaviour can be considered as abusive or not, require complex economic and legal analysis. You should always refer to the Group Competition Network for proper advice.

## **4. Mergers, Acquisitions and Joint Ventures**

### **4.1. Regulatory Approvals by Antitrust Authorities in case of Concentrations**

In the vast majority of jurisdictions, mergers, acquisitions or joint ventures qualified as “full-function (or “concentrative” joint-ventures”) as per applicable antitrust legislations (“concentrations”) are subject to review by local antitrust authorities. Joint-ventures are concentrative when they are autonomous economic entities resulting in a permanent structural market change, regardless of any resulting coordination of the competitive behaviour of the parent companies.

Approval is very often required before completion of the intended concentration and must then be notified before any consummation.

The merger control is generally intended to assess the potential lessening of competition as a result of the concentration in the relevant markets, through creation or strengthening of market power by acquirers. Market shares are not the only driver of the economic analysis: the competition authorities also investigate any other type of competitive harm as it considers appropriate (eg vertical foreclosure, unilateral effects, coordinated effects, portfolio effects, etc).

A concentration which is likely to impede effective competition in the relevant geographical market (local, regional or national, depending on the products) can be prohibited or substantially revisited at the request of the merger control authorities.

Mergers having the potential to generate significant efficiencies (lower prices, improved quality, enhanced services, new product development, etc) will be treated favourably by the competition authorities.

In each country, complex issues must be analysed at a very early stage of the process in order to ensure that the concentration meets the requirements of the corresponding legislation, such as:

- Criteria for notification ;
- Jurisdictional thresholds ;
- Definition of relevant markets ;
- Number of jurisdictions involved ;
- Substantive assessment regarding effect on the relevant markets ;
- Procedural and timing aspects;

- Ancillary restrictions (eg exclusivity provisions);
- Potential remedies (eg divestment undertakings).

In all circumstances, competition aspects of any potential concentration must be assessed with the Group Competition Network sufficiently in advance of the negotiations in order to maximize the chances of obtaining a clearance in a timely manner.

#### **4.2. Decision-making process in case of cooperative joint-ventures or product consortia**

In certain circumstances, it may be advisable from a business point of view to enter into “non full-function”, or “cooperative” joint-ventures, eg to fulfil some limited tasks in terms of research and development, to meet specific procurement request where grouping of companies is in the best interest of the customer (“consortia”), or the like. Cooperative joint-ventures are not fully-functional and are therefore regulated by the antitrust rules rather than by the merger control regulations.

Specific guidance shall be given in each country in order to rule the conditions under which formation of dedicated product consortia can be set up with competitors.

In this respect, the following principles should apply:

- ⇒ a consortium with a competitor should be limited in time and purely dedicated to fulfilling a specific project ;
- ⇒ its objective should be limited to customer needs satisfaction and only if a grouping with a competitor would be more efficient in this respect;
- ⇒ it should not lead to bid rigging;
- ⇒ it should not lead to unjustified increase of prices quoted to the customer;
- ⇒ it should not lead to market sharing;
- ⇒ it should not lead to exchange of sensitive commercial information (appropriate “Chinese walls” may be considered each time necessary).

The delineation between concentrative and cooperative joint ventures is not always clear-cut. Legal advice must always be requested at a very early stage of negotiation pertaining to the formation of a joint venture.

#### **4.3. Mergers, acquisitions or joint-ventures with competitors**

In the event that a merger, acquisition or joint-venture (whether concentrative or cooperative) is envisaged with a competitor, particular precautions must be taken at the first stage of the negotiations with a view to strictly limiting the content of

the information exchanged, eg through disclosures of any sensitive commercial information.

As a matter of principle, no joint-venture company can be set up with a competitor if it is likely to be construed as a potential vehicle for coordinating the competitive behaviour of parent companies on the relevant market or organizing an illegal system of sensitive information exchange (eg in case the parent companies become partners and competitors on the same market as a result of the joint-venture company creation).

Group Competition Team must be immediately made aware of any such negotiations in order to ensure that during the course of any such negotiations the applicable antitrust rules are fully respected at all times.

In case of the formation of a joint-venture company with a competitor, the provisions of the joint-venture agreement (eg shareholders agreement) must be designed in order to ensure that the applicable antitrust rules are fully respected at all times (eg exclusivity, reserved matters, governance structure, etc).

In this respect, it is essential to limit the scope of any potential exchange of information to the strictest minimum necessary in order to fulfil the purpose of the joint-venture company.

## **5. Professional associations**

The Group companies are members of various professional associations that enable companies of the relevant sector to promote common objectives in the best interest of their stakeholders. Since such associations may be conducive to collaboration between competitors, the Competition authorities closely monitor them. Consequently, relevant Group employees are requested to strictly comply with the following rules:

### **5.1. Membership**

Membership in a professional association and adherence to its Articles of Association, operating rules and activities, is subject to verification by the relevant legal department. The association should have inter alia a formal constitution, clear systems of ownership and funding, corporate governance rules, clear decision making processes and, ideally, an independent chairman.

### **5.2. Meetings**

5.2.1. A written agenda should be drawn up prior to each meeting and circulated in advance of such meeting.

5.2.2. Minutes of each meeting should be carefully drawn up following the meeting and distributed to all those in attendance.



5.2.3. The attendance of a lawyer may be advisable for such meetings.

5.2.4. By way of example, the following non-exhaustive list of discussion subjects may be considered lawful:

- Introduction of new regulations pertaining to the relevant industry;
- Involvement in litigation affecting the relevant industry as a whole;
- Work safety, environmental protection etc., provided that any results of the eventual co-operation are made available to all interested parties on reasonable terms;
- Overall economic trends;
- Technical promotion or advertising of products in the relevant economic sector;
- Organisation of and participation in exhibitions, trade fairs or conferences, etc.
- Norms and standards

However, the following should never be the subject of discussion:

- Sale or purchase prices, price trend development, price modifications and changes in their application and calculation method, discounts or profit margins of association members;
- Sales territories, customers or final place of arrival of the products;
- Production capacities, processes, methods or costs;
- Inventory levels, technological innovations which have not fallen into the public domain;
- And more generally any kind of subject-matter relating to the commercial, marketing, or financial strategy of the association members which may qualify as illegal exchange of information;

The following are also prohibited: any measure to eliminate, to reject an application of, to punish or to exclude a member of the association or a company wishing to become a member and meeting the membership requirements legally set out in the association's constitution document.

### **5.3. Information exchange**

If it is not possible to notify an information exchange system to the Competition authority in order to get a clearance or, if a block exemption notice does not exist in a given country, an individual assessment must be carefully conducted based on the following guidelines, and obtaining an external legal opinion will be advisable in sensitive cases.

5.3.1. Illegal Information exchange systems:

What is the objective of the proposed information exchange? This is the first question that competition authorities will investigate. If such objective is likely

to be construed as collusive and as a result might materially distort competition on the relevant market, the information exchange must be deemed illegal.

For instance:

- a) Exchange of information mechanisms designed to serve as a support for anti-competitive practices (e.g. to monitor an express or tacit cartel agreement such as a market-sharing agreement, a price-fixing agreement or “punishing” maverick players) are illegal per se.
- b) Exchanges of information between competitors (concertation, discussion ...) regarding proposed commercial decisions are illegal, even if the anticompetitive agreement resulting from such discussions has not been formalized (tacit cartel agreements) nor even reached.

In particular, any exchange of information regarding future commercial policy (e.g. future price increases) is clearly deemed illegal.

Note that sending by a competitor of information about its proposed strategy (e.g. proposed price increase) to another competitor is an invitation to a discussion, even if the recipient has not responded, and may thus be illegal.

- c) Information exchange systems not intended to monitor a cartel or an anti-competitive concerted practice might, notwithstanding, be illegal if they negatively affect competition.

Information exchanges between competitors could be considered as illegal, if the information sharing leads to increase the market transparency (helps creating and/or monitoring a tacit coordination between oligopolies) and thus undermines competition that would otherwise exist on the market. The main concern is that an exchange of information may substantially reduce, or even remove, pro-competitive uncertainty regarding the operation of the market and the behaviour of competitors. The risk is that any independent competitive action on the part of an undertaking (e.g., a price decrease leading to a market share increase) can be immediately detected by its competitors; these competitors are thus able to take counter-actions.

#### 5.3.2. Valid Information exchange systems:

The validity of information exchanges must be assessed based on:

- a) the structure of the relevant market, and,
- b) the sensitive nature of the information subject of the exchange.

#### a) The structure of the relevant market

Data that would not be deemed commercially sensitive on a non-concentrated market for a non homogeneous product may be deemed commercially sensitive on a highly concentrated or oligopolistic market for a homogeneous product.

The high concentration/oligopolistic nature of a market is assessed based on several criteria: number of competitors, existence of structural links between them, combined market shares of the main competitors, barriers to entry, homogeneous nature of the product.

If the relevant market is highly concentrated, the exchange of information will increase transparency and reduce uncertainty on markets where competition is already limited by the structure of the markets. It will then be regarded as an illegal behaviour by the competition authorities.

As a rule, an information exchange system requires that at least 3 players supply data.

#### b) The sensitive nature of the information

Commercially sensitive information is information that (i) is not publicly available, and (ii) gives some indications of a competitor's commercial position or strategy, and thus increases transparency of the market.

Aggregate data, which are those that do not enable the identification of the undertakings, are generally deemed non-sensitive and may therefore, be freely exchanged between competitors. The exchange of aggregate data, i.e., setting out production or other figures for the whole industry without enabling the extraction of individual data, does not generally raise competitive concern. Aggregate data become commercially sensitive if they enable the extraction of individual data, for example if there is small number of actors present.

Individual data, which allow identification of the companies whose information is included in the data, are commercially sensitive if they reveal competitors' commercial position and/or strategy. Individual data on prices and pricing policy (incl. rebates or discounts), costs, sales volumes, market shares, capacities and investments are generally commercially sensitive: the more detailed and recent, the more commercially sensitive. But they may be exchanged if they are old enough not to be able to impact the commercial policy of competitors.

### **5.4. DOs & DON'Ts**

⇒ **Do not** exchange nor accept to receive commercially sensitive information in the frame of Trade Associations, except if:

- As a principle, the information must be regarded as “historical” (at least 12-months old in the European Union), depending on the structure of the market, the nature of the data, and the applicable rules in a relevant country). In the event that the local regulations do not clearly define the concept of “historical information”, the BU shall seek guidance from the Group Competition Team,

OR,

- The information is aggregated in a way that does not permit recipients to identify individual data such as individual market shares of other players (and the data has been supplied by at least three players), and

In all circumstances, the Association must take all the necessary measures to ensure the confidentiality of the system, through using an intermediary responsible for collecting individual commercially sensitive data and to deliver such information to the Association in a form meeting aggregation and history criteria (“Black Box”).

- ⇒ **Do** state explicitly that the company does not want to receive any commercially sensitive information in the frame of Associations, and protest in writing in case you receive it.
- ⇒ **Do not** attend Association meetings without documenting their legality (agenda, minutes ...).
- ⇒ **Do** make sure by appropriate awareness measures that informal discussions during or after such meetings do not include anticompetitive subjects.
- ⇒ **Do** require the trade associations to have a confidential collection system (“Black Box”).
- ⇒ **Do** require the signature of a confidentiality agreement and just give the information to the independent third party operating the Black Box system.
- ⇒ **Do** require that Associations regularly monitor strict compliance with applicable rules deriving from legislation and jurisprudence.
- ⇒ **Do** ensure that statistics are available to all members and non members.
- ⇒ **Do** recommend Associations to adopt competition law compliance program substantially embodying the principles of this Section. In case of an Association not complying with those principles, the Business Unit (in agreement with the Group) may envisage taking of any appropriate measure to deal with this situation, including removing itself from data exchange system, while trying to maintain membership of the Association for other matters. In extremis, full withdrawal from the Association can be the last resort.

- ⇒ Do seek legal advice, if in doubt.

## 6. Oral and written communication

Employees must not only comply with competition laws, but they must also be seen to do so at all times and in all circumstances. The “lead by example” principle is essential in competition-related issues.

The use of inappropriate words/terms in internal or external communications can be misinterpreted or mischaracterized as indicative of an anticompetitive intent. It is necessary to use care in written (e-mails, PowerPoint presentations) and oral communication to avoid any statement which could be misconstrued.

A glossary of inappropriate terms will be developed in a timely manner.

All documents are potentially seizeable during dawn raids – see Section 8 - (or discoverable in a law suit), including outdated drafts of letters and memoranda, electronic documents, handwritten notes, phone messages, phone, e-mail, personal diaries, or calendars. Please note that documents can be retrieved even when deleted. Employees may also be questioned with regard to their conduct and statements.

- ⇒ **Do not** use expressions which have an ambiguous or controversial meaning, especially when it relates to any of our competitors or our competitive behaviour;
- ⇒ **Do not** suggest that our marketing or pricing decisions (which take into consideration the market status, competitor behaviour, customer threats, etc) should be based on any grounds other than those arising exclusively from the company’s individual strategy ;
- ⇒ **Do** indicate clearly the source of any sensitive information, such as market shares, prices, production capacities. Such sources may for instance include public statistics, market intelligence or internal estimations. It is prohibited to collect, retain or publish sensitive information pertaining to our competitors, which has been illegally obtained.
- ⇒ **Do** write carefully and clearly in memoranda, letters and e-mails and assume that everything written may be disclosed publicly in an adversarial proceeding.
- ⇒ **Do not** use aggressive words or intended strategy against our competitors.
- ⇒ **Do** remember that antitrust rules apply in social settings and trade association meetings.
- ⇒ **Do** consult with the Group Competition Team regarding any competition law concerns.

## **7. Document retention policy**

Company's documents include all records that are produced by an employee, whether paper or electronic. They may be memoranda, e-mails, contracts, case studies, calendars, appointment books, expense records, written notes of meetings, etc ...

BUs and Corporate Offices should aim at having an official uniform document retention policy that has a legitimate business rationale. A general rule (see exceptions below) for systematic destruction after a uniform period of time (to be decided by each BU) should be implemented. However, it is prudent to always retain exculpatory documents that could be useful in any future competition law investigation (e.g., competitors' price increase announcement coming from customers, sources of information concerning the competitors, commercial and rationale background for particular agreements).

Please note that E-mails which need to be saved should be either printed in hard copy and kept in the appropriate file or downloaded to a computer file and kept electronically or on a disk as a separate file.

Certain laws require the Company to maintain certain types of documents, usually for a specified period of time. Tax and accounting laws often contain retention obligations which may be quite stringent. Documents relevant to ongoing or potential litigation should be retained according to the relevant national limitation periods. Some legislations require also the retention of commercial contracts, drafts and signed contracts, marketing documents, employment records/personnel records, Board and Board committee materials, Intellectual Property and Trade Secrets, etc.... The legal department should be consulted to determine the retention period of particular documents.

Competition laws require companies to cooperate with competition authorities, which imply that companies under investigation must make available to the competition authority all information relating to the subject of that investigation. It is essential to retain internal and other documents relevant to any competition law investigation/litigation during the entire duration of the investigation/litigation. Documents, in case an investigation is initiated, will play an important role as exculpatory evidence (bringing or defending a claim) or as a negotiating tool if circumstances dictate that leniency/reduction of fines/settlements need to be applied for.

The targeted destruction of competitively sensitive information may be open to criticism, regardless of any ongoing investigation. As a matter of fact, destruction of sensitive documents (even as part of a general retention/destruction policy) or the appearance of a cover-up in the context of an investigation or litigation could result in very high fines as well as, depending on the applicable law, criminal penalties (it can be construed as resistance to antitrust investigations). It can also be considered as incomplete discovery for a civil litigation. It must also be well understood that the

destruction of sensitive documents, if seized by the competition authorities during investigations conducted at the premises of a third party (eg one of our competitors), may be an aggravating factor for the BU and the Group.

Therefore, once an investigation/litigation is initiated, documents of any kind which directly or indirectly relate to the subject of the proceedings must be immediately retained by the company and not destroyed or concealed.

If verifications, audits, actual or potential investigations/litigations (or other circumstances) lead to the discovery of documents that raise competition issues, these documents should be collected, kept at a central location (Legal Department or external lawyers' office) and accompanied by a short notice explaining the issue and the action that was taken.

## **8. Dawn raids**

In order to verify the compliance with the Competition Law, authorities can obtain evidence by way of an investigation at the premises of a company either voluntarily or compulsorily. It may carry out "dawn raids" – i.e. unannounced visits to inspect the company's premises; seize documents and interview staff. Although an on-site inspection is a very serious matter that some of Lafarge companies experienced in the past, it doesn't mean that the company has violated any laws.

Refusal to comply with the decision/mandate creates an unfavorable impression and is likely to infer that the company has something to hide. The company and/or the responsible employee can also be fined (and/or criminal sanctions in some countries).

Please note that many competition laws allow searching of employees' homes (and monitoring phone calls) as well as the company premises, when there is a reasonable suspicion that business records are kept there.

⇒ **As soon as the investigators arrive, inform immediately the General Manager, the Legal Counsel (internal and/or external), the Group Compliance Team, the Regional President and the Group Communication Dept.**

### **8.1. Reception of the investigators**

All employees who are likely to be confronted with a dawn-raid, should be well trained to adopt the right behaviour. They should be courteous and professional. There is no need to panic. It is in the company's best interest to establish a good relationship with the authority.

### **The receptionist**

- ⇒ **MUST** register the agents' arrival like any visitor
- ⇒ **MUST** contact as a matter of priority the General Manager (or the Senior Manager available) and the Legal Dept.
- ⇒ **MUST** immediately suggest the agents wait in a waiting room
- ⇒ **MUST** stay with the agents until the arrival of the General Manager (or the Senior Manager available)
- ⇒ **MUST NOT** accept to be notified of the inquiry and the correspondent files. Only the General Manager (or the Senior Manager available) or a lawyer can do that.

### **The General Manager (or agreed cover in case of unavailability)**

- ⇒ **MUST** check the identity of the agents and the decision or mandate of authorization.
- ⇒ **MUST** treat the agents with respect and offer full cooperation.
- ⇒ **MUST** try to ask the inspectors to wait as long as necessary until the lawyers (internal or external) arrive.
- ⇒ **MUST** try to find out the purpose of the investigation and the estimated timescale.
- ⇒ **MUST** appoint one or several executives to deal with inspectors' requests, and appoint one or more secretaries to take full record of all questions asked and answers given and to make a copy for the company of all documents and records seized or copied by the authority.
- ⇒ **MUST** inform immediately, the Regional President, the Group Legal Dept. and the Group Communication Dept.
- ⇒ **MUST NOT** try to warn competitors (not customers/association) that a dawn raid is taking place.

### **The lawyer (or agreed cover in case of unavailability)**

- ⇒ **MUST** contact as a matter of priority the BU competition law attorney and the Group Competition Team.
- ⇒ **MUST** ensure that the meeting room provided for that purpose is free, tidy and has the required means (telephone, photocopier) and appointed secretaries are ready.



- ⇒ **MUST** examine carefully the terms and the scope of the decision or the mandate, its reasons and ask relevant questions.
- ⇒ **MUST** check that the dates on the authorizing document cover the relevant days.
- ⇒ **MUST** check the precise name of the company (and the departments) to visit: Inspectors can not have access to any premises, departments or files of a company whose name does not appear on the decision or mandate.
- ⇒ **MUST** check the designation of the places to visit (departments, offices, safe, vehicles) as well as the scope of files/information which can be seized: Inspectors can not have access to places or information not mentioned in the decision or mandate (eg offices situated at another location).

## **8.2. Unfolding of the inquiry**

### **The Inspectors' Powers**

- The inspectors will explain how they want to proceed and will ask how the company is organized, who is responsible for various topics and where the files are kept to check them.
- The inspectors can carry out search for relevant documents in all the areas mentioned in the decision/mandate, including vehicles, wherever the owners are.
- The inspectors can examine and seize all kind of documents, e-mails, files on the computer, as specified in the mandate.
- The inspectors can proceed to put seals on all commercial premises, documents and information supports (server) limited to the length of the visit of the premises.
- The inspectors can ask for oral explanations. Only the appointed executive(s) and the lawyers should answer the questions after checking the accuracy of the answers to ensure that the most correct and complete answer is given. An appointment can be taken to answer the questions. A secretary should keep a full note of all the questions and explanations.

### **Controlled Documents**

All documents at the company's premises, including computers, personal documents, agendas, notebooks, mobile phones, CDs, DVDs, Flash memory etc, are considered professional. If they are related to the scope of the investigation and covered in the mandate, they can be examined and seized.

Hard documents that can be examined and seized by the inspectors should be relevant to the subject matter of the investigation.

Soft documents (hard disks and e-mails) should not be copied in full. Inspectors should select and take a print-out of the relevant ones.

No document (hard or soft) should be hidden, destroyed, altered or encrypted by any employee in connection with the investigation. Please note that deleted documents (files or e-mails) can often still be retrieved.

Legally privileged documents (communication between an external lawyer and his/her client) marked "Privileged and Confidential – Attorney Client Correspondence" made for the purpose of defense are protected in most of the countries and can not be examined nor seized. They should be kept on separate files and retained by in-house lawyer. The lawyer should give the inspector a schedule containing a brief description of the document.

Confidential business documents are not protected. Inspectors are entitled to see business secrets but they are under a duty not to disclose that information.

All documents (hard and soft) seized/photocopied by the inspectors should be duplicated, numbered in the same way as the originals and kept for the company's record.

### **8.3. Closure of the enquiry**

- ⇒ **Do** request a copy of the minutes of the investigation signed by the inspectors.
- ⇒ **Do** write down on the minutes all reservations, which could be used to prove any incident or abuse of authority from the investigators.
- ⇒ **Do** request a signed inventory of the copies and extracts taken by the inspectors during the investigation.
- ⇒ **Do** ensure that all the seized documents are identified and listed in the minutes
- ⇒ **Do** contact the Group legal dept for instructions before signing the minutes, in case of any incidents.
- ⇒ **Do** transmit without delay the minutes of the investigation to the Group Competition Team once it has been signed.
- ⇒ **Do not** make any declaration or press release before coordinating with the Group Competition Team and the Group Communication Dept.

## II- IMPLEMENTATION/AWARENESS

### 1. Cascading of the Policy and Compliance Program

The Compliance Program should be implemented in each country where we operate. In this respect:

- The Compliance Program could be adapted (to fit with the particulars of each legal context) and translated into local language.
- The Compliance Program must be widely communicated to all relevant employees (ie those who are directly or indirectly involved in commercial activities and/or who come into contact with customers, suppliers and competitors) **and all relevant business partners** ;
- The Compliance Program could be summarized and developed through proper references to local applicable antitrust legislation ;
- Dos and Don'ts can be issued and (if needed) tailor-made to best fit with the Compliance Program requirements ;
- In countries where antitrust legislation is very mature, the Compliance Program can be fleshed out and developed in line with certain country requirements (eg Federal Sentencing Guidelines in the USA) ;
- In countries where there is no antitrust legislation, appropriate procedures (agreed with the Group Competition Team) should be designed with a view to adapting the antitrust rules and standards contained in Lafarge Policy to the specific legal and business background of the relevant country.

The effective implementation of the Compliance Program requires appropriate resources at corporate and country levels.

#### At Corporate level

The Group Competition Team is responsible for managing the Compliance Program in line with the Group Rules, provided that:

- Accountability and responsibility for implementation and compliance lie within the managerial line;
- The legal function should support line management (and undertake verification).

In this respect, the Group Competition Team is responsible for:

- ensuring consistency of implementation of the Compliance Program in all countries where Lafarge operates ;
- disseminating best practices and antitrust compliance culture ;

- designing and orchestrating an awareness and information policy Group-wide through training and relevant communication channels ;
- proposing and implementing competition verifications based on an agreed action plan or as instructed by Executive Committee (noting that these verifications may at times be unknown in advance to BU management) ;
- handling merger control and litigation matters ;
- ensuring BUs' reporting obligations to the Corporate are satisfied ;
- Advising Executive Committee of the Group on competition related-matters.

At BU level

The BU Competition Correspondents are delegated the responsibility of managing the Program in their country, with direct (operational) report to the BU General Manager and (functional) report to the Group Competition Team (consistent with the accountability and responsibility principles set out here above).

The BU Competition Correspondent shall be responsible (in his/her country) for

- reviewing and developing expertise on a continuing basis on the antitrust legislative and case law developments in their country ;
- providing support and advice to the Lafarge local business in relation to antitrust matters;
- establishing relevant procedures devoted to trade association activities ;
- establishing relevant competition procedures or instructions intended to cascade the Program within the BU according to the local law ;
- being granted access to the necessary information and documentation sufficiently in advance so to assess the competition risks within the BU ;
- handling any potential or actual antitrust investigations or litigation, in close interaction with Group Competition Team and with the assistance of qualified antitrust lawyers;
- establishing links with the local competition authorities, when appropriate, including handling of any potential verification by regulatory authorities;
- legal review of business documentation in line with the Compliance Program (sales contracts, contracts with competitors, distribution contracts, pricing, contacts with competitors, JV, mergers, acquisitions) ;
- liaising on a regular basis with Group Competition Team so to ensure proper coordination as to the development and implementation of the Compliance Program worldwide;

- contributing to the preparation and conduct of internal competition verification by Group Competition Team together with other relevant functions (finance, marketing, etc);
- in close interaction with Group Competition Team, contributing to the preparation, conduct and follow up of awareness & training sessions and to the dissemination of an antitrust compliance culture through all appropriate means (e-learning, information letters, etc);
- reporting once a year to Group Competition Team any information or assessment pertaining to the conduct of its mission, based on a Group Questionnaire prepared for this purpose. In order to achieve this, the BU Competition Correspondent will establish and implement appropriate due diligence investigations within the BU to obtain an accurate view of competition related risks within the BU ;
- participating to the sharing of “best practices” among the Group Competition Network, eg through contribution to information platforms dedicated to competition issues, regional lawyers seminars, etc.

## 2. Awareness, training and information

Training is generally intended to:

- ensure good awareness and understanding of competition legislation and Compliance Program;
- demonstrate Executive Committee commitment to comply strictly with the Compliance Program;
- assist each relevant employee in understanding how he/she may best carry out his/her role and activities on the market in compliance with the Program and applicable regulations;
- develop “real life” examples and scenarios in order to help employees to get proper guidance as to the way to behave in customary business situations;
- ensure that relevant employees are aware of the serious consequences for the company and themselves that may result from any infringement.

As a matter of principle, it is essential that employees selected for participating to training sessions do so in a timely manner.

Training must be organized and delivered on a regular basis at Corporate level as well as at BU level to employees selected in view of their potential involvement in matters where competition laws apply.

In order to facilitate the awareness and dissemination of an antitrust compliance culture, the Group has developed (with the assistance of relevant experts) an e-learning competition tool which is intended to provide information and guidance pertaining to our business. Use of this tool must be widely encouraged on a

worldwide basis. It shall be updated on a regular basis and the practice of each new version by relevant employees will be compulsorily required.

BU General Managers shall be responsible for ensuring that compliance training programs be developed and delivered on a regular basis by appropriate qualified lawyers, in close coordination with Group Competition Network.

Corporate functions will ensure that the same applies at corporate level, based on a corporate training program involving representatives of both Group Competition Network and top executives of the Group designated by the CEO for such purpose.

At both BU and Corporate levels, appropriate lists of relevant employees shall be kept in order to ensure that people are trained on a regular basis.

The Group Competition Team is also committed to publish regular "Competition Information Letters" (eg twice a year) which the BU Competition Correspondents may use for the purpose of organizing local training.

### **3. Enforcement, reporting and verification**

Reporting about the Policy implementation is normally achieved through the Group Competition Network. In this context, a Group Annual Questionnaire shall be used as a basis for such reporting.

Reported information is essential in order to get a fair view at Group level as to the proper cascading and implementation of the Compliance Program in Business Units.

Reported information must also serve as a basis for assessing Key Performance Indicators (KPI) ratios set out in the Sustainable Development Report.

Internal verifications ("Mock dawn raids") can be conducted from time to time in any of the Group Business Units by the Group Competition Team with the assistance of members of the Group Competition Network and external lawyers, with a view to verifying the proper application of the Compliance Program

A yearly verification plan shall be agreed in advance between the Group Competition Team and Executive Committee of the Group. Such yearly verification plan shall be kept confidential and updated on a regular basis if needed. Unless otherwise decided, those verifications shall be communicated in advance only to a limited number of people in order to ensure proper efficiency.

All information collected in the context of these verifications shall be analysed by the Group Competition Team. Conclusions of such verifications shall be shared with Group Executive Committee and any corrective action required shall be decided accordingly.

When dealing with communication of information, the Group Competition Team shall give particular attention to the national regulations in force regarding the "Client-Attorney" privilege.

#### **4. Infringement of the Policy**

- Violation of Competition law(s) has severe consequences, not only for the Company (high fines, damages' claims, reputation, etc) but also for any employee who is personally involved in this violation:
  - Criminal sanctions: Employees who personally participate in illegal activities can be (in many countries) prosecuted (home dawn raid, indictment, arrest warrant ...), fined and even jailed by local enforcement authorities, according to the applicable competition law.  
Refusal to cooperate, hiding or destroying documents can be considered as a criminal offence.
  - Joint civil liability: In certain countries, violation of competition law can result in civil actions in damages which can be instituted by the victims against the company and its executives/directors involved in the illegal activities.
- The company will assist any employee involved in an antitrust proceeding to the fullest extent permissible, including providing legal representation if necessary. However, should that employee be in breach of the applicable law or Competition Policy/Compliance Program (having participated in, or authorized, a violation or; fails to cooperate in an investigation of an alleged or potential violation or; intentionally withholds information concerning a violation ...), a disciplinary sanction including measures such as demotion, reduction in bonus (personal performance) or dismissal could be pronounced.  
The employee will also be solely liable for the personal legal consequences of his or her actions, such as fines and penalties.  
Before any disciplinary action can take place, the breach will have to be confirmed by an internal verification (investigating the legitimacy of the charges) led by the Group Legal Dept., whether there is or not a current administrative or judicial proceeding.  
Disciplinary decisions, according to the applicable labor law and the labor contract of the employee, will always be taken by the top management with the participation of the Group H.R. to ensure full consistency in the implementation.

#### **5. Compliance queries**

Any specific question as to the legality of any intended agreement or conduct or the proper enforcement of the Compliance Program should be referred to the BU Competition Correspondent or to the Group legal department / Group Competition Team (competitionlaw@lafarge.com), as the case may be.  
The Group Competition Team should be consulted for any query regarding the interpretation of the Compliance Program.

Every employee is encouraged to seek advice in case of doubt as to the proper interpretation or enforcement of the Compliance Program.

**ANNEX 1: PERSONAL CONFIRMATION**

**ANNEX 2: COMPETITION COMPLIANCE FORM**



**ANNEX 1**

**Competition Compliance Program**

**Personal Confirmation**

- a) I have received awareness training about the Competition Law/Compliance Program and have received a copy of the Competition Compliance Program;
- b) I will comply fully with the provisions of the Competition Compliance Programme;
- c) I am aware that any serious breach of the Competition Law or Competition Compliance Program, may render me liable to disciplinary action.

Name in Capitals: .....

Position: .....

Date: .....

Comments: .....  
.....  
.....

Signature: .....

This form will be kept by the BU Competition Correspondent.

**ANNEX 2**

**Compliance Program**

**Competitor Contact Form**

**Title of Meeting:**

**Held at the offices of:**

**Minutes taken by:**

**Time/date:**

This document confirms that there will be no discussion on subjects that are prohibited by The Competition Policy/Compliance Program. In particular the subject of prices and market share or any other matters to our knowledge that are prohibited by The Competition Policy/Compliance Program, will not be raised at the meeting.

<b>Signed</b>	<b>Print Name</b>	<b>Company</b>	<b>Position</b>