We compete ethically
through efficiency and innovation

Competition Law Compliance Policy

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Contents

Importance of compliance

Breaches of competition law could seriously damage Titan's reputation as a responsible, ethical company, damage our relationships with customers and suppliers, and threaten the financial viability of the Group and its employees.

In free market economies, ensuring and maintaining effective competition in the marketplace is one of the main methods for securing economic efficiency. Competition law is used as a tool to achieve such market conditions, by promoting lower prices, better quality, more choice and innovation.

An increasing number of countries, including almost all major economies, have adopted competition laws, and the enforcement of such laws is becoming increasingly important across the globe, including the United States, China, Egypt, the European Union (and the European Economic Area), as well as in countries aspiring to be acceded in the European Union. With the globalization of the economy and increased contacts between regulators, the same conduct may impact upon a number of countries, and be subject to their competition rules simultaneously.

Competition authorities are very proactive in enforcing competition laws. Penalties for breaching competition law are increasingly severe (for example, in the European Union fines can amount to up to 10% of the group's worldwide turnover, while in the United States up to $100 million or twice the financial gain derived from the violation), and in some countries (for example, in Greece) the employees involved in the violation can be held personally liable for the fines imposed on their company. In several countries (for example, in the United States, the United Kingdom, Greece, Egypt) certain violations of competition law are criminal, and can lead to imprisonment and/or criminal fines on individuals, as well disqualifications.

At the same time, customers, competitors or other interested parties who suffer loss from a competition law violation can bring civil claims for damages, which are extremely time-consuming and very costly (for example, in the United States such suits may lead the company to pay treble damages).

Agreements or practices which breach competition laws may be wholly or partially invalid, which means that the company cannot enforce them, or expect that they are implemented.

For all the foregoing reasons, strict compliance with the applicable competition laws is of paramount importance for Titan and for you personally.

Remember compliance with competition law does not prevent Titan from competing aggressively. Titan is committed to competing successfully within the bounds of competition rules.

Policy

It is Titan's policy to observe and comply with competition law wherever it operates. Equally, it is the policy of Titan that all Business Units controlled by Titan Group and all Titan employees observe and comply with the applicable competition legislation and the rules set out in this Policy. Titan and its employees will deal fairly, equally and openly with all customers and suppliers; they will compete aggressively and independently with competitors; and they will avoid engaging in price fixing, market allocation and other illegal, restrictive and/or abusive commercial practices and arrangements.

Each Titan Group employee whose position involves material decision making on commercial or strategic activities, contacts or dealings with competitors, substantial contact or dealings with customers or suppliers, attendance of trade association meetings or trade fairs, or management responsibilities with respect to any such employee, is responsible for ensuring that he or she:

- is familiar with the fundamental principles of competition law
- can identify situations where competition law issues may arise
- appreciates the personal and corporate consequences of non-compliance with competition law and
- is personally committed to achieving full compliance with Titan's competition law compliance policy.

Although the fundamental principles of competition law are similar in all free market economies, competition rules vary in different jurisdictions. All Titan Group employees, wherever they do business in the world, need to comply with the specific competition laws which are applicable in the regions where they operate. In this respect it is important to also recognize that actions taken in one country may have an impact in others; therefore, certain actions can be subject to laws of various jurisdictions.

Business Units and/or Regions within Titan Group may adopt their individual competition law policies, adapted to the local legislation requirements, to the extent that they do not contravene with this Group Policy.

In situations where Titan operates in a country which does not maintain competition legislation, appropriate procedures (agreed with the Group Legal Department) should be designed with a view to adapting the rules and standards contained in this Policy to the specific legal and business background of the relevant countries.

1. Scope of applicability

This policy extends to all Titan Group operations, without exception.

Titan's Competition Compliance Policy applies to companies which are (either directly or indirectly) solely and/or jointly controlled, as well as solely and/or jointly managed, by Titan Cement International S.A. Each of such business entities will seek to adopt and promote practices and procedures that are consistent with the principles set out herein. Where Titan holds a non-controlling interest in another company, including non-controlling joint ventures, the representatives of Titan that sit on the respective entity's Board of Directors or management committee should employ their best efforts to actively support the implementation of comparable competition standards.

This Policy applies to Titan employees, including its officers and executives, who are directly or indirectly involved in commercial activities, and/or who come into contact with customers, suppliers and competitors. An intragroup arrangement or agreement, i.e. one made between companies that are all solely controlled by Titan, falls outside the scope of competition laws.

This Policy applies equally to Titan's core activities (i.e. cement, ready mix concrete, aggregates, etc.), and to any additional business activity (e.g. waste management, slag processing, ash trading, energy production, etc.), whether undertaken at a Business Unit level, Regional level, or Headquarters' level. Within the Titan Group, the responsibility to reduce the risk of anticompetitive conduct resides at all levels of the organization.

2. Implementation Support

To help support Titan employees in their compliance with competition laws, Titan has taken the following actions:

Guidelines

Titan has issued general guidelines on the fundamental principles of competition law. These are attached to this Policy. The Guidelines are intended to provide an overview of the main competition law provisions which can reasonably be expected to be applicable in free market economies. They aim to provide Titan employees with essential knowledge on the rules likely to apply in relation to:

- interactions with suppliers, distributors and/or customers
- dealings with competitors, including the context of a trade association and
- mergers, acquisitions and joint ventures.

It is important that Titan employees understand these principles, and are familiar with the types of agreements and business conduct that could raise issues.

The Guidelines cannot cover all facts and circumstances that the employee may encounter in his/her business activities; and they do not describe every situation, where competition law issues might arise. Furthermore, the

Guidelines do not attempt to provide a detailed description of the national competition provisions and procedures in all the countries where Titan operates, or the ways in which national competition legislation may depart from the fundamental principles outlines in the Guidelines.

Therefore, the Guidelines are no substitute for specific legal advice. Titan employees are required to obtain expert competition law advice when faced with a particular competition law issue, or when in any doubt about compliance. Furthermore, any contact with any competition authority should always be handled in conjunction with the Group Legal Department.

Legal support

At Group level and in the U.S., Titan maintains in-house counsel trained on, and experienced in, competition law to assist Business Units and employees in the implementation of this Policy, by explaining the fundamental principles and procedures included in the Guidelines and identifying situations in which specialized advice should be sought.

Furthermore, in each jurisdiction where the Group is active, Titan retains (or will retain based on above in-house counsel advice) external counsel specialized in local competition law legislation.

Titan employees must seek timely advice from the in-house or local counsel appointed in their Business Unit or Region, who in turn must consult with the Group competition counsel, and (if so advised) external specialists, if they have any questions or concerns relating to competition law, or if they are in any doubt about whether or not it may apply.

Training and Audit

To facilitate a better understanding of the competition rules, the Group Legal Department periodically organizes training sessions for various Titan Departments, Regions and/or Business Units to maintain awareness throughout the Group. Part of such programs are also communications on developments and current topics on competition legislation and case law in various jurisdictions.

In addition, when necessary, the Group Legal Department undertakes competition law audits in order to assess compliance with this Policy and identify problem areas. Full cooperation with such audits is expected.

3. Responsibility

It is the responsibility of all Titan employees to comply with competition laws and regulations.

Titan employees must read and understand this Policy and the attached Guidelines, and comply therewith at all times. Although adherence to the principles set out in the Guidelines will limit the risk of violations, it is the employees' responsibility to ensure their conduct complies with the specific rules and procedures applicable in the jurisdiction where they are active.

Competition law is extremely complex and technical. Despite their compliance with the Guidelines or their participation in Trainings and Audits, Titan employees are responsible to assess their specific conduct under the circumstances of each particular case in order to ensure their compliance with the applicable competition laws. Employees are required to recognize situations where competition law issues arise, bring questions relating to competition law to the attention of their direct superior and the Group Legal Department, and then work with the Group Legal Department to resolve these issues.

Titan operates in highly competitive environments, and the pressures of business must not be used as an excuse for engaging in illegal trading practices and agreements. No one in the business has the authority to contravene competition laws, or to condone contraventions by others.

Apart from the administrative, civil or criminal sanctions threatened under the applicable laws, violations of this Policy may also result in disciplinary action, including termination of employment.

4. Questions and Updating of the Policy

Any questions should be addressed to the Group or Regional Legal Departments.

The Policy and the attached Guidelines will be amended by Group Legal, when deemed appropriate, based on the experience gained and the evolutions of laws and jurisprudence.

Guidelines

Competition law impacts virtually every aspect of Titan's dealings, including: pricing, promotion and sale of products and services, dealings with competitors, suppliers, distributors, dealers, other customers, participations in trade associations, as well as strategic decisions, such as mergers, acquisitions and joint ventures.

1. Basic provisions

While national competition laws vary from country to country, there are a number of types of behavior that are restricted or regulated under most systems. At the same time, competition laws are highly complex and technical, and compliance with such rules may depend on the factual situation, or the structure of the specific market, or may require a detailed economic analysis.

However, there are certain behaviors that are clearly and always prohibited.

In the following Guidelines, you will find an overview of such fundamental rules on practices to be avoided at all times, and on practices that require the prior consultation with the Group Legal Department before they are implemented.

As a general principle, competition laws prohibit agreements, arrangements and practices which restrict competition in the marketplace. Such behaviors range from everyday transactions, such as dealings with customers and suppliers, to strategic alliances, such as mergers, acquisitions and joint ventures. Often, the intended purpose of the behavior, or the effect it actually produced in the market, bear no significance to the finding that a violation has been committed. In extreme violations, even if the behavior was never actually applied, but only contemplated, planned or failed, will suffice for the finding of an infringement.

Competition rules can be categorized as those regulating our dealings with competitors, those regulating our dealings with customers and suppliers, and those regulating mergers, acquisitions and joint ventures.

2. Dealing with competitors

When in contact with a competitor in whatever context, you must always remember that it is generally illegal to:

- enter into **arrangements** (whether binding, formal, written or not) with competitors that prevent, restrict or distort competition and/or
- exchange sensitive information with our competitors (whether we are receiving or providing such information).

The above will normally be considered as violating competition provisions, whether performed by direct communications with competitors, or through any trade association or union or other third party. Social activities are not excluded from such prohibitions to the extent that business issues are discussed at such events.

A. Arrangements with competitors

Although not all dealings among competitors are illegal, any arrangement between competitors on the following issues will always be held as illegal, as the following are considered to be the most important violations of competition law:

- **price fixing** – including agreements on what prices to charge, what discounts to offer, what increases or decreases to effect, or agreeing on maintaining certain pricing policies, resale prices or credit terms
- **market or customer sharing** – i.e. agreements to allocate markets or customers between competitors and to refrain from doing business in each other's allocated territories setting volume controls or quotas on production
- **bid rigging** – i.e. rotating jobs among potential bidders or submitting bids knowing they will be unacceptable
- **boycotting** – i.e. refusing to do business with a competitor, customer or supplier and
- restricting, controlling or defending **against imports or exports**.

The type or form of such arrangements, and whether or not they are binding, is irrelevant to the finding of a violation. The rules cover equally formal written agreements and oral agreements, understandings, "gentlemen's agreements",

non-binding agreements and even action which is taken with an unspoken "common understanding" in mind. They cover both direct agreements (for example, between two competitors) and indirect agreements (for example, an agreement between competitors brokered by a third party, such as a trade association, customer or supplier). It suffices that a consensus was reached between competitors on their anticipated behavior.

We must never engage, or give the impression that we are engaging, in any arrangement with a competitor on the above 'hardcore' topics.

Other forms of cooperation between competitors, such as joint venture agreements, may produce useful efficiencies but can also affect or restrain competition. Restrictions may apply on purchasing, commercialization (e.g. marketing), R&D, manufacturing joint venture agreements, and so on. Joint ventures and other agreements to conduct business jointly between actual or potential competitors may be permissible in certain circumstances. However, it always contains a risk for violation of the competition laws.

Therefore, when contemplating any kind of agreement or understanding with a competitor, we must always acquire the express prior approval of the Group Legal Department before engaging into any related discussion or negotiations.

B. Information exchange with competitors

The legitimacy of information exchange schemes between competitors is a difficult area since some information exchanges are prohibited and others are not, often depending upon a detailed analysis of the precise nature of the information exchanged and the characteristics of the market in question.

As a general rule, **it is almost never appropriate to exchange non-public or commercially sensitive information with our competitors**, even if our motives or purpose are completely benign. "Nonpublic information" is any information that is not generally available through third party sources (e.g. through independent market data providers). "Sensitive" data or information includes information that relates to Titan, our customers and/or one of our competitors and which might benefit our competitors.

Non-public or sensitive data therefore includes:

- **pricing** information or data – including discounts, rebates, increases, promotions, terms of trade, planned or contemplated price changes (either before or after they take effect)
- current **value and volume output and sales** information – except in rare cases (e.g. where historical data forms part of an industry-wide study and it is not possible to separate out the information to reveal confidential information relating to us – and even then only with the express approval of the Group Legal Department)
- **margin or profit** data
- operational **expenses and cost** information
- terms, prices and conditions of **supply**
- **new products** and strategic or investment **plans**.

The method by which the information exchange has been performed is not relevant to the finding of the infringement. Competition rules cover direct communications between competitors, as well obtaining non-public or sensitive information through third parties, such as trade associations.

On the other hand, general and industry-wide information may be exchanged between competitors.

This would include:

- General promotional opportunities such as possible new markets (but not a particular company's promotional plan)
- Industry public relations or lobbying initiatives
- Non confidential, technical issues relevant to the industry (e.g. health and safety measures)
- Aggregate data collected through 3rd parties in a manner that makes the identification of individual company data impossible.

As far as the grey (in-between) kinds of information are concerned, as a general rule we must remember that:

- the more recent, detailed or accurate the information is, the more likely it is that it may be considered as problematic from a competition law point of view and
- even publicly available sensitive information can be problematic if receiving it directly from a competitor is easier, or makes the information more accurate or up-to-date.

Finally, we may obtain information about our competitors through publicly available sources or published data, provided that we never attempt to verify the accuracy of such information with the relevant competitor, and we always document the sources from which we obtain the specific information.

Given the complexity of the matter, we should always contact the Group Legal Department before engaging into any such conduct.

C. Trade Associations

Trade associations are likely to be subject to close scrutiny by competition authorities, since they constitute forums where **agreements** may often be reached, and **exchanges of information** are easily performed between competitors.

Therefore, in the context of trade associations, the following guidelines should also be followed:

- Don't join a trade association without prior review by the Group or Regional Legal Departments
- Don't attend a trade association meeting without first receiving a clear agenda and make sure that clear minutes are made and sent to all participants
- Only discuss legitimate industry-wide issues (such as health and safety standards, or changes in legislation); don't discuss issues that are prohibited under competition law
- If, at a trade association meeting, any matter is raised that would violate competition law and/or Titan's Policy (e.g. coordinating prices), you must:
    - immediately protest as soon as any such topic arises and, if there is no effect
    - ask the chairman to record that you are leaving the meeting and why
    - immediately leave the meeting
    - report the incident in writing to the Group or Regional Legal Department without delay.

3. Dealing with customers and suppliers

Agreements with suppliers, distributors and customers for the purchase and sale of goods or services are generally allowed. These agreements are often referred to as vertical agreements because each organization has a different level in the production or distribution chain. With this type of agreements, there are some situations or circumstances that may result in a violation of the principles of competitions laws.

A. Vertical restraints and abusive practices

Certain arrangements with customers or suppliers are scarcely considered to have any procompetitive effects (often referred to as vertical restraints). These "hardcore restrictions" are generally prohibited. The most important vertical hardcore restrictions are the following:

- **resale price maintenance** – agreeing with, or imposing on, customers (wholesalers, distributors, or dealers) the prices (incl. discounts, distribution margins or other terms) at which customers may resell Titan products to third parties; or agreeing with suppliers the prices (incl. discounts or other terms) at which Titan will resell their products to its customers the prohibition includes rewards for conforming with above terms, and penalties for non-conformity
- **restrictions on trade within the European Economic Area** – Titan may not prevent anyone from importing or exporting products within the EEA; equally, Titan may not sanction or intimidate anyone for dealing in imported products, discriminate against exporters, or give them preferential treatment.

Outside the above hardcore regime, there are a number of arrangements that are common in usual commercial dealings with customers, distributors or suppliers, which however are not allowed in all cases or under all conditions. The determination of whether such arrangements are illegal or not depends on a number of reasons, such as the market structure, the position and strength that Titan holds in the market, the position and strength of our customers, distributors or suppliers, and the details of the local competition legislation in each jurisdiction.

Therefore, **legal advice must be obtained before implementation**. The following arrangements can only be implemented with the prior advice of the Group or Regional Legal Departments:

- **exclusivity** – promises or obligations to only supply one customer in a given area
- **territorial protection** – restrictions on the ability of customers to resell Titan products to specific territories or specific customers or for specific uses – including rewards or penalties for such behavior
- **single branding (or requirement contracts)** – restrictions on the customers' ability to purchase and resell competing products, or requirements on the customer to purchase all or a large part of its needs for a specific product from Titan – including rewards or penalties for such behavior
- **preferred customer** – restrictions on the supplier's ability to sell its products to Titan's competitors, or requirements on the supplier to sell all or a large part of its production of a specific product to Titan – including rewards or penalties for such behavior
- **refusing to deal** with a specific customer
- **predatory pricing** – selling at prices below average variable cost
- **target rebates** – retroactive discounts conditioned on individually set purchase or growth targets per customer or calculated by reference to the customer's purchases made in a previous period
- **tying** – conditioning the supply of one product, or the provision of a discount on one product, on the customer's obligation to purchase a second product
- **discrimination** – treating similar customers differently, for instance by refusing to supply one of them, or by offering one of them better price, rebate or discount terms than the other
- **English clauses** – conditioning the price that Titan sells its products to a customer upon the prices offered by Titan's competitors.

B. Dealing with competitors as customers or suppliers

This area often raises concerns under competition law, so the Group Legal Department should be consulted before entering into any of these arrangements.

Be particularly careful, if negotiating with competitors as customers or suppliers, not to reveal commercially sensitive information. Any preferential terms offered to competitors in the context of a supply contract with them, in exchange for an agreement to withdraw from a given market, would be a clear breach of competition law. Similarly in the same context, no agreement or commitment should be made to a competitor to behave in a certain way (e.g. staying out of a market, not bidding in a tender, etc.) in exchange for payment of a higher price or a contract/subcontract award. If this is suggested during negotiations, you should decline immediately and notify your Legal Department.

4. Mergers, Acquisitions and Joint Ventures

In many countries, acquisitions of shares or assets, mergers or takeovers and certain joint ventures may be scrutinized by the competition authorities to determine whether they would unacceptably diminish competition, or result in a combined entity with dominant market power. This is the case if certain thresholds, set under the various national or supranational merger control rules, are met. Often, these thresholds are based upon sales, the monetary value of the transaction and/or the market share of the companies involved. In such cases, it may be required that a **prior notification is filed** and **clearance from the competition authorities be received**, before the transaction can be concluded or implemented. In some jurisdictions a notification and prior approval might be required, even if the parties to the transaction do not maintain a permanent establishment in such a jurisdiction, or even if the transaction does not involve such jurisdiction at all. In some countries these clearance requirements may also apply to the acquisition of minority shareholdings, depending on the rights granted. In some jurisdictions, merger control is time-sensitive, in that filing of the notification may be required within days of the signing of the agreement.

Authorities operating a merger review policy generally have the power to block anti-competitive deals or require commitments or divestments from the parties to remedy any perceived problems before the transaction is cleared. Where it is compulsory to do so, failure to notify or to receive clearance may result in heavy fines or even the nullity of the transaction.

Therefore, whenever you are engaged in any such transaction you should involve the Group Legal Department at the earliest possible stage, and seek specific legal advice on the competition implications of the transaction.

It is important to remember that documents created in the lead up to such a transaction may have to be presented to the competition regulators responsible for reviewing the transaction. The description of the deal and its effect on competition, markets or prices can have a significant impact on how the deal is perceived and whether or not it will be blocked.

In assessing the effects of mergers, acquisitions or the establishment of joint ventures on the existing competitive landscape, the authorities question not only the parties directly involved but also third parties. This means that Titan may receive questionnaires related to transactions that involve our competitors, suppliers and/or customers. In most cases, responding to the questionnaire is mandatory, and failure to do so may result in fines. Moreover, Titan's response to such questionnaires may influence the way in which it wishes to conduct business or have serious implications on the transaction contemplated by the parties directly involved. It is therefore very important that the Group Legal Department be informed immediately when such a questionnaire has been received. Any further contact with the competition authorities should be established only through the Group Legal Department.

5. Other laws

Competition law is not the only set of rules that regulate our commercial practices. In each jurisdiction there are a number of other legal provisions that apply to similar matters. Such rules differ per country and apply in parallel with competition law. They may concern false, misleading or comparative advertising, misrepresentations, pricing, disparaging competitors or their products, breach of contract between competitors and their customers, acquisition of competitors' trade secrets, unsolicited communications with or sales to consumers, etc.

Legal advice on local rules application in each country should be sought.