

HERACLES

CODE OF

BUSINESS CONDUCT

AUGUST 2009

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INTRODUCTION

“Courage, integrity, commitment, consideration for others and an overriding concern for the Group’s interests are the foundations of our management philosophy. Every employee is expected to demonstrate commitment to these values. This is our way of building trust at all levels of our organization”

In furtherance of the Principles of Action, this code of business conduct is designed to set out certain standards of conduct for all employees and directors of HERACLES Group, as well as all persons that provide goods and services on behalf of the Group such as representatives, agents and consultants.

These rules do not cover every issue that may arise but set out basic principles to guide all employees and directors in carrying out their business duties.

If any aspect of the Code is unclear or is not precise enough, the employee should seek advice from Legal department as to how to handle this situation.

Finally, because certain principles set out in the Code are derived from legal and regulatory duties, failure to comply with certain aspects of the Code could subject the offender to civil or even criminal liability.

All employees and directors, whatever their position, must comply, within the limits of their duties, with the rules set forth below, that form part of their normal duties of loyalty and good faith, and ensure that they are also complied with all persons in their teams or under their supervision.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance the laws is the basic principle underlying the Group's policies. All employees and directors are expected to respect and comply with laws and regulations that apply to her/him.

As Lafarge is a corporation organized in France and listed in France Stock Exchange, the laws of France may at times apply in addition to Greek laws.

Furthermore, Lafarge Group has taken certain commitments at an international level in relation to compliance and promotion of guidelines such as the protection of human rights, freedom of association, elimination of forced labour, abolition of child labour, and elimination of discrimination in the field of labour and sustainable development.

Although not all employees and directors are expected to be specialized in the various laws and regulations that apply to her/his business activities, it is important to know enough to determine when to seek advice from their supervisors and legal department.

Beyond compliance with the relevant laws and regulations, all employees and directors are expected to carry out their duties with integrity and meet the highest standards of professional conduct in their dealings with the Group's clients, suppliers, governmental bodies or partners.

Employees and directors should ensure that all partners and suppliers are treated with fairness and with selection criteria being objective and transparent.

Compliance with Competition and Trade Laws

Competition is necessary to achieve economic efficiency and constitutes as such a key element of free enterprise which the Group believes in. Lafarge has defined a Group Policy on competition and trade issues that complies with the relevant regulations applicable in the various countries where it operates. These policies summarize the competition and trade rules that exist in the main parts of the world, set out the Group's resulting principles and strategies and include training programs and reviews as to whether the activities carried out by Group entities are in compliance with the laws. A summary of the main competition and trade rules is available on the www.lafarge.com website.

In case of breach, legal action could be taken against the relevant employees and officers in accordance with applicable laws and regulations. All employees and directors involved in competition and trade issues must inform themselves as to the Group's policies on competition and trade laws and abide by such policies during her/his activities.



Each employee and director must refer to the relevant supervisor or Legal Department any inquiries relating to the implementation of such policies in individual situations and inform promptly the Legal Department should they receive any notice or other communication from an authority in charge of competition law issues or any supranational organization.

Compliance with laws on corruption

It is prohibited for any person to offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a public and/or private official, in order to obtain a favorable treatment or to influence the outcome of a negotiation in which the Group is interested.

Any employee or director who commits bribery while on duty could be subject to civil or criminal penalties in accordance with applicable laws.

Compliance with Laws on Insider Trading

Any non-public or privileged information which might influence the market price of Heracles and/ or Lafarge shares should be kept in strict confidence until publicly released by authorized persons in accordance with the Stock exchange regulations.

Any employee, director or shareholder who has access to non-public or privileged information must keep such information confidential and refrain from carrying out any transaction in such shares whether for her/his own account or for the account of a third party, direct or indirect.

To use non-public or privileged information for personal financial benefit, to communicate such information to any other person, or to "tip" others who might make an investment decision on the basis of this information is not only contrary to the Group's rules but also illegal.

As part of the Group's policy on insider trading, directors, officers and employees who, as a result of their duties, may have access to privileged information are required to sign a specific undertaking to comply with the regulations in this respect.

Preventing Conflicts of Interest

Conflict of Interest

A conflict of interest exists when a persons' private interest is in conflict with the interests of the Group in a given professional engagement.

The directors, the employees and third parties, who have been assigned responsibilities by the BOD, should avoid any direct or indirect relationship, influence or activity that might impair or even appear to impair their ability to make objective and fair decisions when they perform their duties.

Although a complete definition of what constitutes conflict of interest is difficult, the situations listed below could create conflict of interest.

These situations may particularly occur when a director, an employee or one of their family members:

- Has a business relationship with a competitor, client or supplier of the Lafarge and/or Heracles Group in the context of the negotiation or performance of an agreement or in carrying out an assignment for a Group entity.
- Owns or holds a permanent financial interest or profit participation in a competitor, client or supplier of the Group
- Possesses the position of director, officer, employee, agent, and consultant of a company which is a competitor, client or supplier of the Group.
- Appropriates or uses any benefit or opportunity which comes to his knowledge in the course of the employment or his/her position.
- Is directly or indirectly a party to a contract (not related to his employment or his directorship and representation) with the Group, unless the required permission has been obtained.
- Receives advances, loans, guarantees, or services in order to influence a decision to be taken by the Group.

As conflicts of interest are not always clear-cut, each employee or officer should consult with the Legal Department in case of doubt in a given situation.

Payments, gifts and benefits

No gift, payment, or other benefit should be received by an employee and a director from a competitor, client or supplier of the Group. However, to receive gifts that are not excessive in value, do not constitute cash gifts, are consistent with customary business practices and do not violate any laws or regulations, is permitted.

Political Involvement

The Group respects the fact that its employees and directors, in their capacity as citizens, participate or may wish to participate in community activities. All relevant employees and officers should however avoid to morally or financially commit the Group in these activities. Furthermore, an employee or director who happens to be involved in decisions to be taken by a State, a governmental agency or a public body must refrain from taking part in a decision of that body that affects the Group (such as granting of a license, an authorization or a procurement contract). The present policy statement does not concern any union activities.

Attention to People and Environment

Health and Safety

To ensure the health and safety of its employees and officers is a Group Priority.

All employees and officers are entitled to work in a safe and healthy environment and are expected to participate in such efforts by acting in a responsible manner.

The Group's Health and Safety policy applies to all of its employees, officers, sub-contractors and other third party service providers.

Such policy is managed and monitored actively so as to improve the safety and health conditions of its employees, officers and sub-contractors on a continuing basis.

Each employee and officer must perform their duties consistently with the health and safety rules applicable at her/his workplace and participate in such training programs as may be organized from time to time.

The complete text of the Group's Health and Safety policy is posted in all our sites, it is available on the local intranet, under "Health & Safety" database and in the site www.lafarge.gr

Preventing discriminatory actions and harassment

As part of its employer commitments, the Group is determined to offer its employees and directors equal opportunities, in terms of recognition, progression and career path, irrespective of their origin or beliefs and does not tolerate any discrimination or harassment of any kind.

Examples include derogatory comments based on racial, ethnic, gender characteristics, physical disability, age or religion, or to adopt an unwelcome attitude with a sexual connotation. Such acts are prohibited within the Group. The full text of the Group's Employment policy is available on site www.lafarge.com

Environment

As part of its commitment in relation to sustainable development, Heracles , as a member of Lafarge, has for a number of years, integrated environmental aspects in its strategy and culture.

The Group's commitments in this respect cover the mitigation of climate change, the conservation of nature, a more efficient use of energy and natural resources, the fact of minimizing the production of waste, harmful air emissions and water discharges, the preservation of heritage, landscape and biological diversity.

The Group's Environmental policy defines the Group's commitments regarding its operations, Greenfield site development and major modification projects, resources, training and research, procurement, product stewardship and stakeholder relations.

Every employee and director must, within the limits of her/his duties, participate in the Group's efforts and commitments by complying with applicable regulations and Group's environmental policies.

Each employee or director must report to the persons responsible for these matters, any compliance failures or possible exposures of which she/he becomes aware.

The full text of the Group's Environmental policy is posted in all our sites, is available on the local intranet and on the site www.lafarge.gr

Protection of the Group's Assets

Accuracy and protection of information

A good management of the Group requires that reliable information be conveyed to authorized recipients so as to enable them to carry out objective analysis and controls. It also implies that such information be protected to the extent that it is to remain confidential.

Heracles takes all the necessary measures and establishes procedures for the protection and the monitoring of the access to the confidential information, in accordance with the prevailing legislation. Furthermore, all employees and directors must receive all the necessary measures to protect and secure all the confidential data and documents.

Confidential information includes all non-public strategic, financial technical or business information such as formulas, processes, industrial know-how, industrial or business plans, financial and strategic plans, financial forecasts, business negotiations, marketing studies or client and supplier files, trade secrets, the disclosure of which would be harmful to the Group.

Likewise, personal information regarding the Group's employees and officers, clients and suppliers must be handled with care so as to prevent any alteration or improper disclosure in accordance with applicable law.

The obligation to preserve confidential information also applies to information received from partners of the Group and it continues even after the employment ends.

Protection of Group's assets and resources

Each employee and director is responsible for the proper use of the Group's assets and resources and their protection.

These include intellectual property such as trade secrets, patents, trademarks as well as installations, equipments and the assets and financial resources of the Group.

These assets and resources must be used in accordance with their business destination or within the framework set.

They may not be used for non-company business except where such use has been explicitly authorized by established procedures.

Each employee and director should endeavour to protect the Group's assets against any deterioration, alteration, fraud, loss or theft.

Fairness in Financial Reporting

Integrity of financial reporting

The integrity of financial reporting is crucial to ensure the proper management of the Group as well as fair and accurate financial disclosure.

Records, books and accounts as well as the financial statements of the subsidiaries of the Group must appropriately reflect the transactions carried out and must conform to applicable legal requirements, to applicable generally accepted accounting principles and to the Group's system of internal controls.

Similarly, accounting and financial information provided under the Group's reporting procedures must present a full and accurate disclosure of the financial situation of the relevant entities.

Employees and directors who prepare accounting records must act with precision, honesty and ensure that each entry is duly documented.

Each and every employee and director is expected to follow the rules and guidelines that apply to the booking and documentation of invoices, expenses and other items accounted for in the books.

Unrecorded funds, assets or liabilities should not be maintained unless permitted by law or regulation and reviewed by outside auditors in accordance with generally accepted accounting principles.

The rules and procedures applicable to accounting records are set out in Heracles financial statements closing procedures and Lafarge financial policies.

The periodic financial reports published or reports prepared for governmental authorities must present a full, fair, accurate, timely and understandable disclosure of the situation of the Company and the Group.

Importance of internal controls - Internal Audit

Internal Control

Internal Control plays an essential role in companies. It is designed to provide reasonable assurance to Management regarding:

- The reliability of the financial and business information
- The protection of assets
- The compliance with the regulations, internal rules and procedures
- The efficiency and relevance of the management and
- The monitoring of the Group's operations.

Responsibility for the establishment, implementation and continued management of the internal controls lies with Management.

These processes include:

- The maintenance of an appropriate control environment
- The assessment of general and financial risks
- The completion of controls
- The sharing of information within the Lafarge and Heracles Group and outside the Group
- The general monitoring of the process.

Internal Audit

The internal audit carries out an independent evaluation of internal controls processes and monitors the implementation of its recommendations. The principles and procedures governing internal audit are set out in the Internal Audit Charter, Policies & Procedures.

All Group employees and directors must cooperate with the persons performing internal audits or audit procedures and properly respond to potential information requests. Furthermore, it is prohibited to hinder in any way the internal control and audit processes, including those carried out by external auditors, or to hide any information in this respect.

All Group employees and directors must promptly respond to the internal and external audit reports and timely implement the recommendations and the agreed corrective actions.

Implementation of the Code and violations

Implementation

All employees and directors are obliged to comply with the requirements of the code of business conduct.

Alertness

Employees should see that these rules are complied by both themselves and other employees. Employees who have information or knowledge of any act or practice, which is illegal, unethical, or prohibited under these provisions must promptly report the matter to the CEO or the General Manager of Human Resources or the Internal Audit Manager, who should immediately inform the CEO.

LAFARFE has made available a dedicated line to Group employees wishing to report observed violations of the Code. This line is a powerful tool to protect employees when they cannot report to their line managers. It is only for breaches related to competition rules or those related to corruption, insider trading or the physical and moral safety of individuals, the environmental protection, conflicts of interests as well as financial and accounting systems irregularities and breaches.

When the situation requires so, the identity of an employee who has reported a violation shall be kept confidential.

To deter malicious or baseless reports, sanctions may be taken against employees acting in bad faith. Conversely, no retaliation measures are permitted to be taken against an employee who has reported a violation in good faith.

Recommended approach in case of doubt

In certain situations, having to make a decision in compliance with the Group's rules of business conduct may turn out to be difficult or complicated. In these situations, it is important to have a way to approach the different issues at stake:

- **Make sure you have all the facts:** it is preferably to be fully informed of the situation before taking a decision.
- **Clarify your role and responsibility:** in most situations, there is shared responsibility. Discuss the issues with your colleagues.
- **Discuss the problem with your supervisor:** this is the basic guidance for all situations. Remember that it is your supervisor's responsibility to help solve the problems.
- **Seek help from Legal Department:** in case you are in doubt regarding the implementation of a specific law or regulation, you can contact the Heracles Legal department.



Violations of the Code

The Code set forth rules which all employees and directors are required to follow within the limits of their duties.

More precise descriptions of certain principles and rules set forth in this Code are contained in the "Application Guide of the CoBC – Policies & Procedures". Employees and directors are encouraged to read these policies and are required to do so if they are affected by any of these topics in their duties.

Failure to comply with the rules set forth in the Code will be considered as misconduct and may subject the employee or director to legal action in accordance with applicable laws and regulations.