ANTITRUST

Purpose

To provide a general summary of major antitrust principles most likely to be relevant to team member activities on the Company's behalf and to acquaint team members with those areas involving antitrust so that legal advice can be obtained on a "before the fact" basis.

Scope

This Policy applies to all team members of McWane, LLC and its divisions and subsidiaries ("McWane" or "Company").

Policy Statement

McWane team members must conduct their activities on behalf of the Company in accordance with all applicable anti-trust laws.

I. THE PURPOSE OF THE ANTITRUST LAWS

The purpose of the antitrust laws is to preserve a competitive economy in which free enterprise can flourish. McWane is committed to the preservation of a free competitive economy and to full compliance with the antitrust laws. The consequences of violating the law are extremely serious both to McWane and to the team member. Consequently, McWane has insisted and will continue to insist, without qualification or exception, that all team members observe the antitrust laws at all times.

II. CONSEQUENCES OF ANTITRUST VIOLATIONS

The severity of an antitrust violation cannot be overemphasized. Under federal law, certain violations, such as price fixing and customer allocation, are criminal felony offenses. Individuals face up to ten years in prison and fines of up to $1,000,000 for criminal conduct, while corporations may be fined up to $100,000,000. Criminal actions are brought by the United States Department of Justice. In 2015, the Department of Justice Antitrust Division filed 60 separate criminal cases and obtained a record $3.6 billion in criminal fines. In these cases, the Division charged 20 corporations and 66 individuals, and courts imposed prison terms with an average sentence of 15 months per defendant. Since 2014, the Division has obtained more than $6.6 billion in criminal fines. These harsh statistics reflect only federal criminal enforcement efforts; state government authorities may also bring criminal actions under state antitrust laws. Violation of state laws can result in similarly severe penalties.

Antitrust violations may also subject McWane to extremely costly civil litigation and monetary damages. Companies or individuals whose businesses are injured as a result of antitrust violations are entitled to recover not only their actual damages, but three times the amount of their actual damages, plus attorneys' fees. State and federal government agencies may also seek injunctions or other orders and penalties. Moreover, customers

may hesitate to deal with a company or individual accused of an antitrust violation. Even if the company successfully defends a lawsuit and vindicates its conduct, it may take years before the harm to the company's reputation and business subsides.

III. MCWANE'S POLICY OF STRICT COMPLIANCE

In recognition of the importance of strict compliance with the antitrust laws, McWane will take disciplinary action against any team member who violates the laws or ignores McWane's Antitrust Policy. Failure to comply with McWane's Policy, or knowingly allowing non-compliance by a subordinate, will result in disciplinary action, up to and including discharge. Claims of ignorance, good intentions or failure to seek timely legal advice when the circumstances require are not valid excuses.

This Policy does not provide you with the means to act as your own lawyer. Solving legal problems is the responsibility of McWane's Legal Department. However, McWane's Legal Department cannot participate in every action you take. Thus, avoiding legal problems is your responsibility and the burden will often be on you to recognize potential problem areas before you act and to avoid them. Strict compliance with the letter and spirit of the antitrust laws is an absolute requirement for all McWane team members, but that is not enough: you must always be aware of potential problems and avoid even a hint of impropriety. No matter how innocent a particular act may be, legal difficulties can result if it leads others to believe that a violation has occurred.

To ensure adherence to McWane's policy of strict compliance, all employees are reminded that their company emails are subject to periodic audits. These routine antitrust audits typically involve automated searches using search terms designed to identify language that may raise concerns about potential violations of McWane's antitrust policy. It is crucial for everyone to remain vigilant and ensure that all communications conform to our established legal and ethical policies.

IV. BASIC ANTITRUST PRINCIPLES

Federal and state antitrust laws are intended to prevent a wide range of conduct that interferes or threatens to interfere with competition. One important group of antitrust laws prohibits agreements or concerted action by two or more competing companies to restrain competition. Other significant antitrust laws prohibit a single firm from using unfair means to monopolize the market or otherwise abuse its market position. Still other statutes prohibit a variety of unfair trade practices.

A number of specific activities that have been found to restrain trade illegally — and thus, to have violated the antitrust laws — are discussed below. **However, these are merely examples. You must be vigilant at all times. If a situation arises that you believe could raise antitrust issues, you should always seek advice before you act.**

V. RELATIONS WITH COMPETITORS

A. Price Agreements

Any agreement, whether formal or informal, express or implied, written or oral, between competitors to raise, lower, peg or stabilize prices, or to eliminate or reduce price competition, is always illegal under the antitrust laws and cannot be justified for any reason.

An agreement need not be in written form or involve a handshake to be illegal under the antitrust laws. An understanding or other informal arrangement, such as a "gentlemen's agreement," with a competitor is similarly illegal. Moreover, an illegal agreement can be inferred from the parties' conduct. You must at all times refrain from contact that appears suspect. If you ever find yourself in a sensitive situation with a competitor, you should immediately and clearly end the discussion or communication and contact McWane's Legal Department.

It is strictly against McWane's Antitrust Policy to have any discussion or communication with any competitor relating to prices or any other term of sale. The only exception is where McWane is in a bona fide buyer-seller relationship with a competitor who is acting as a customer or a supplier for a specific transaction. In that circumstance, you may discuss with the competitor the price or other terms at which McWane will buy from, or sell to, that competitor so long as the discussion solely concerns that specific buy-sell arrangement. **All other discussions with competitors regarding prices or terms of sale must be avoided.**

The types of communications with competitors which are absolutely prohibited include agreements to fix prices, agreements on any of the terms and conditions of sales to customers and exchanges of price lists or pricing information. It makes no difference if the agreed-upon price seems fair or reasonable or necessary to avoid competition; it is still illegal. Moreover, price is not the only topic which may not be discussed with competitors. Subjects which **affect** prices, such as general pricing policies, credit terms, discounts and allowances, promotions, costs or other terms and conditions of sale must never be discussed with or communicated to competitors.

This prohibition on price communications with competitors applies to conversations during business meetings, trade associations, at the bar, on the telephone, on the golf course, while hunting, or during a "social" dinner and any other communications. It applies whether the competitor is a stranger or a friend. There are no "off the record" communications with competitors.

The Company's policy regarding the setting of Company prices requires that all prices be determined **independently**, in light of the Company's costs, market conditions and competitive prices. While competitive prices can and should be considered in making pricing decisions, they should be obtained only from publicly-available published lists or from customers. Price lists should not be obtained directly from competitors, nor should the Company's price lists ever be sent to or discussed with competitors. If you receive a competitor's price list or other competitive price information from a customer, note the date and source of the price list or price information on the face of the material.

These principles apply with full force where the Company is bidding for all or part of a government project. You must strictly avoid any discussions with competitors regarding their bids. Under no circumstances should you have any agreement or understanding, however informal it might be, with a competitor regarding the terms of either company's bid or whether either company will or will not bid on some portion or all of a particular project.

The following hypothetical examples of proscribed conduct are designed to assist you in avoiding improper conduct:

1. Representatives of Company A and B bump into each other at a restaurant, where each complains that Company C has been making competitive inroads into their home territories. The representatives agree that both companies will lower their prices $5/ton to beat every bid by Company C and create more loyalty among their customers.

This is price fixing and violates the Company's Policy. The representatives and their companies may be criminally liable for price fixing, even though the prices they agreed to charge were lower than the prevailing market levels and better for their customers. It does not matter how reasonable the agreed-upon prices were: the agreement itself will likely be found illegal.

2. At a trade association's annual holiday party, Company A's representative makes a speech thanking all members of the association for their dedication and hard work over the past year. The representative says that, thanks to everyone's efforts, it was a banner year in terms of Company A's profits and that Company A will be taking advantage of the high market demand to increase its prices by 10%, regardless of what the others do. The speech draws little response, but one month later, all of the other member companies increase their prices by 5-10%.

This type of conduct may be found to be illegal and violates the Company's Policy. Company A knowingly disclosed critical price information in a context that may be viewed as an invitation to collude, following which the other industry members raised their prices. A court might infer an unspoken illegal agreement with Company A, even though there was no express agreement.

B. Allocation of Markets, Territories or Customers

Any agreement among competitors to allocate markets, territories or customers is illegal. Accordingly, you may not make any agreement or understanding with a competitor dividing up or assigning geographic areas, customers or groups of customers or lines of business or agree with a competitor to withdraw from any specific market. As with price fixing, an unlawful agreement can be formal or informal, and can be inferred from a casual conversation with a competitor or from the parties' behavior. Accordingly, you should always avoid any communications with competitors relating to the division of particular customers, types of business or geographic areas.

The following examples are designed to help you avoid such illegal agreements:

1. Companies A and B are competitors in a market. They agree that they will both make more money if each refrains from bidding for the other's five largest customers.

Agreements by competitors to allocate customers violate the Company's Policy and are routinely held to be illegal.

2. Sales representatives from competing Companies A and B play cards with a small group of mutual friends. One player asks Company A's representative how the business is going.

Company A's representative says that it would be a lot better if Company B's representative got off his back. Company B's representative says he could say the same thing about Company A. Everyone laughs. Two weeks later, however, Company A's representative notices that Company B has stopped selling into his territory, so he decides to stop selling into Company B's territory.

Despite the absence of any formal agreement and the social setting of the parties' communications, conduct such as this may be found to be illegal by a court because it gives the appearance that the competitors had a tacit agreement to divide the market. **Always avoid this type of behavior.**

3. Companies A and B compete in one region. Both companies try to expand their territories, with Company A challenging Company B in a second region and Company B challenging Company A in a third region. After six months, however, both companies have failed to make any headway due to a variety of problems such as low demand, high transportation costs and customer loyalty. They each decide to re-focus their competitive efforts elsewhere, and Company A stops selling in the second region, while Company B ceases its efforts in the third region.

This type of behavior, made for legitimate business reasons, is not typically held to violate the antitrust laws. Although each company stopped selling in competition with the other in a separate geographic region, there has been no agreement, either express or tacit, to refrain from selling in each other's territory.

C. Agreements to Limit, Restrict or Increase Supply

An agreement among competitors to restrict, limit or increase supply is illegal and strictly against the Company's Policy.

D. Group Boycotts and Refusals to Deal

Like price fixing agreements, an agreement among competitors not to sell to or buy from certain individuals or firms is illegal when the "group boycott" tends to inhibit the boycotted firm's ability to compete in the market place.

The Company's Policy is, at all times, to determine independently and unilaterally with whom it will conduct business. The Company has a legal right to choose its customers and to refuse to sell to anyone, but this right must be exercised **independently** by the Company to be legal. **Never suggest that a competitor should not sell to or buy from anyone.**

E. Trade Associations

While the Company's membership in trade associations, such as DIPRA and AWWA, is legitimate and permissible, such associations often involve meetings of competitors. Therefore, involvement with an association necessitates that every participant be alert to our policy of strict compliance with the letter

and the spirit of the antitrust laws. Special care should be exercised to avoid improper communications with competitors, since such communications may be alleged to be illegal by third parties.

It is our policy that the Company shall not be a member of any trade associations without the prior approval of senior management. Our team members shall not participate in, or remain present at, any discussion among competitors at an association meeting or other gathering of association members or participants concerning:

- Prices or other terms and conditions of sale, including credit terms
- Allocation of markets, territories or customers
- Refusals to deal with customers or suppliers
- Limitations or increases of production or supply

You should immediately end any discussion related to these topics or any other activity that would have the effect of restraining competition. If necessary, you should leave the meeting. Make sure everyone will remember that you objected and left and notify the Legal Department immediately so that the Company can take appropriate action.

You should also get approval from the Company's Legal Department before any information is submitted to a trade association including, but not limited to, price data, production data, or capacity data.

F. Product Standardization

An agreement among competitors to standardize their products will often be pro-competitive and legal because the creation of recognizable standards in an industry frequently confers significant benefits upon consumers. For example, standards convey the essential characteristics of a product, make it easier for consumers to determine the compatibility of products and help establish quality levels necessary to protect consumer health and safety.

Standardization may be troublesome, however, if it serves no significant efficiency goal and simply excludes potential competitors from entering the market. For example, courts have rejected agreements between competitors to standardize the inputs (or components) of their products when those inputs are severely limited in availability and the effect of the manufacturers' standardization was simply to prevent potential competitors from using substitute inputs and entering the market.

VI. MONOPOLIZATION AND MARKET POWER

Firms that possess significant market power over a product or products in a certain geographic region must conduct their businesses with special caution because the antitrust laws impose additional rules on those firms.

In general terms, a 50% share of the market may be considered market power, which is defined as the power to control market prices or to exclude competition. The determination of market power always depends on complex economic and legal analyses; nonetheless, there are some basic principles applicable in most instances. First, it is not improper merely to possess significant market power or to engage in vigorous competition to

obtain additional business or to protect that market position. It is, however, illegal to attempt to achieve or maintain the position of market power through an abuse-of-market power, such as predatory, below-cost pricing designed to drive a competitor out of business or exclude potential competitors, or anticompetitive restrictive arrangements that may unreasonably tie up customers, distributors or suppliers. Specific examples of these potentially dangerous arrangements are discussed in Sections VII and VIII.

VII. RELATIONS WITH CUSTOMERS

A company's interaction with its customers may be a potential area of antitrust concern, depending on the circumstances. For purposes of this section, a company's "customers" may include not only its end users, but also its distributors and contractors. If you have questions regarding any of the issues discussed below, you should ask McWane's Legal Department.

A. Selection of Customers and Refusals to Deal

As a general rule, a supplier, even one with significant market power, has the right to select its customers and to determine with whom it will do business, provided it does so **independently** and without agreement with any competitor. Suppliers have the corresponding right to refuse to do business with a current or potential customer, provided: 1) the decision is made independently, and 2) it is not the result of an anticompetitive motive or intent. In other words, even a firm with significant market power may unilaterally refuse to deal with a distributor when it has a legitimate business motive for doing so, *e.g*., the distributor (or potential distributor) is not well capitalized, has a poor service record, is in a location already well served by an existing distributor or has inadequately promoted the supplier's products in the past. A company cannot, however, refuse to deal with a distributor for anticompetitive reasons, such as the distributor's failure to adhere to the supplier's suggested resale price, as discussed in Section VII.B, below. You should make sure there are legitimate business reasons whenever the Company refuses to deal with an existing or potential customer, because ambiguities can lead to unwanted litigation.

B. Resale Price Maintenance

"Resale price maintenance" refers to agreements between participants at different levels of the market to establish the resale price of products. McWane is permitted to <u>suggest</u> resale prices to its customers, and no illegal agreement will result if the customer independently decides to observe specified resale prices. However, it is illegal and strictly against the Company's policy to use unduly aggressive tactics to <u>coerce</u> a customer into reselling our goods at a particular price.

The line between permissible suggestion and impermissible coercion in this context is one of the haziest areas of the antitrust laws. Courts have found impermissible coercion where the supplier has gone beyond mere announcement of suggested resale prices and has threatened or harassed its customer (either directly or through third parties) into adhering to its suggested resale price. You should never threaten or harass a distributor into adherence with suggested resale prices. Our policy against resale price maintenance applies to maximum as well as minimum prices and to discounts, allowances and other terms of sale.

As a result of the ambiguities in the law, you should always check with the Legal Department before implementing any effort to enforce any suggested resale prices.

C. "Tying" Arrangements and Full Line Sales

Tying arrangements, the practice of requiring a customer to purchase one product (the "tied" product) in order to obtain another product (the "tying" product), may be illegal if: (1) the seller has significant market power (as defined in Section VI above) over the tying product and thus may have the economic power to condition the purchase of the products together; (2) two functionally distinct products are involved and not merely additional purchases of the same product; and (3) the seller, in effect, "coerces" the customer to purchase both of the products (whether in a formal agreement or just by packaging them together or by some other means) when it only wants one.

These factors all require complex legal and economic analyses. For example, courts looking at the second factor above (whether two distinct products are involved) will analyze the functional similarities and differences of the products, whether competitors normally offer them for sale separately or together, whether there are economies in jointly producing and selling the products, and whether they are typically priced together or individually. Similarly, the inquiry into whether sufficient "coercion" has occurred will depend upon the circumstances: even a company with significant market power over product A may permissibly grant its customers a reasonable, cost-justified package discount for purchasing product B along with product A without fear of violating the antitrust laws. While the cost- justified discount may persuade customers to buy both products, it is not typically considered a coercive tie-in. Where the buyer is expressly (or, as a practical matter) free to buy the products separately from another source, no illegal tie will be found.

D. Exclusive Dealing

Although distributors and contractors are independent business people, McWane may legally specify the terms and conditions upon which they will engage in our business. Where McWane does not have significant market power (as defined in Section VI above) over the product at issue, it may even insist on an exclusive arrangement (known as "exclusive dealing") whereby its customers agree not to buy that product from McWane's competitors, too. Restrictions on the distributor's or contractor's right to do business with our competitors may raise antitrust concerns where the supplier has significant market power because such restrictions potentially impede the ability of the supplier's competitors to do business in an area where all of the existing distributors or contractors are affiliated with that one supplier. The legality of such an arrangement depends on a detailed analysis of market conditions. You should always check with the Legal Department before attempting to require any customer to purchase a full line of McWane products.

E. Price Discrimination

In keeping with the antitrust laws, it is the Company's policy to treat all customers fairly with respect to the prices we charge for our products. The antitrust laws prohibit discriminating between competing customers on the basis of price absent a legitimate business reason. It is generally illegal to sell the

same products contemporaneously to two competing customers at different prices, unless there is a need to meet competition, or there are different costs associated with supplying each customer, or there is some other legitimate business reason, such as providing a discount for large-volume purchases. Because the line is not always clear, you should always contact McWane's Legal Department before instituting any discriminatory pricing policy that charges competing customers different prices for the same goods at the same time. The following examples are designed to assist you in complying with McWane's Policy:

1. Company A bids on a project through two distributors, offering Distributor D its products at a set price, but offering the same products to Distributor E at a discounted price. Distributor E wins the contract and purchases Company A's products at the discounted price.

Such conduct is not typically found to be illegal because the antitrust laws only prohibit two contemporaneous sales to competitors which are discriminatory. Q*uotes* at different prices to different customers, which result in only one sale, are not deemed to be discriminatory.

2. Company A quotes the same price on two identical projects in different states. Distributor D, which handles the project in northern New Jersey, wins the bid. Distributor E, which handles the project in Baltimore, Maryland, is told by the customer that the same bid will not win in Baltimore. Distributor E knows the customer is loyal and asks Company A to lower its quote. Company A does so and Distributor E wins the job.

This type of conduct, even though it entails two identical, contemporaneous sales at different prices, is not typically found to be illegal because the two distributors were not in competition with each other. Moreover, the price differential resulted from Company A's legitimate business decision that it could only win the Baltimore job if it cut its prices to meet competition.

F. Market, Territorial and Customer Resale Restrictions

Unlike an agreement among competitors to divide markets, territories or customers between them, it may be legal for a supplier to designate the market or territory within which, or customers to whom, its distributors or other customers are allowed to sell or resell.

As always, determining the propriety of the arrangement requires detailed legal analysis; you should, however, be aware of several important factors to guide your behavior:

- *Market Power - If the supplier's share of the market for the product(s) at issue is 50% or less, the arrangement is not typically troublesome. Note, however, that at least one court found a territorial arrangement to be improper even though the supplier had only a 12% share of the market because the supplier could not explain any valid business purpose for its practice. Conversely, customer and territorial arrangements employed by suppliers with market shares in the 60-70% range have been upheld where they had legitimate business reasons for the practice.*

- *Legitimate Business Reasons. Courts typically uphold the use of territorial, market and customer restrictions between a supplier and its distributor where the practice enables the supplier to*

strengthen its ability in a vigorous and competitive inter-brand market, to ensure that its distributor is competent and aggressively promotes its products in that territory or market, and where the practice enables the supplier to enter a new market or expand the areas it supplies.

G. Termination of Distributors

A supplier has every right to terminate its distributors for legitimate business reasons, such as a determination that the distributor is a poor credit risk or has performed inadequately, or a determination that the company will change to a more efficient distribution system integrated with the in-house sales force. The termination decision must be unilateral, however, and may not be the result of an agreement or understanding with the supplier's competitors or competitors of the distributor.

Distributors are independent business concerns and are generally entitled to make their own decisions as to the manner in which they conduct their activities. Any attempt to deprive them of freedom to determine prices, terms and conditions of sale, or to place other limitations on their freedom to operate independently, particularly when terminating them, involves a risk that the distributor may construe the termination as an attempt to control its pricing practices, even when there are legitimate reasons to end the distribution relationship. You should review the Resale Price Maintenance discussion in Section VII.B above and make sure you are acting appropriately before you terminate a distributor.

VIII. RELATIONS WITH SUPPLIERS

A. Selection of Suppliers

McWane is free to choose its suppliers and to refuse to do business with any particular supplier. The Company's decision, however, must be made independently and must not involve any agreement with another company or person.

B. Reciprocity

While the Company is permitted to legally sell its products to its suppliers, it may be illegal for the Company to demand reciprocity, *i.e.*, to require a supplier to purchase our products as a condition of McWane's purchase of the supplier's products, at least where McWane has a dominant market position.

C. Exclusivity

As a general rule, it is against McWane's Policy to enter into exclusive arrangements with suppliers which unreasonably restrict the suppliers' abilities to deal with our competitors. Certain types of exclusive arrangements with suppliers are permissible, however. For example, a short-term exclusive arrangement with a supplier which has a minimal effect on competition may be acceptable.

IX. FOREIGN OPERATIONS

McWane competes in a number of global markets for the sale of many of its products. Company personnel doing business in countries outside the United States may be subject to foreign antitrust laws, as well as U.S. antitrust laws. If operating outside the United States, Company personnel should continue to conduct business consistent with the U.S. antitrust laws and should not assume that the U.S. antitrust laws do not apply merely because they are outside the United States. Similarly, if McWane exports to a foreign country or buys imported products, this conduct may be subject both to U.S. antitrust laws and foreign antitrust laws. Additionally, personnel should be aware of areas where foreign antitrust laws may differ from U.S. law, including:

- *terminating or appointing a sales agent or distributor;*
- *granting exclusive territories;*
- *refusing to sell product to a customer or competitor; or*
- *charging excessive prices.*

In particular, team members working in Canada or dealing with Canadian buyers or sellers are cautioned that Canada's *Competition Act*, much like the U.S. antitrust laws, provides severe penalties for a wide variety of anticompetitive conduct. Although the Canadian law differs in various respects from the U.S. antitrust laws, you should assume that any conduct which is illegal in the U.S. could raise a similar problem under Canadian law. You should follow the same procedures described in this Policy whenever you encounter any potential issues or problems concerning activities involving Canada as you would for activities involving the U.S. The following synopsis of Canadian law is not exhaustive, but is designed to assist you in recognizing broad legal requirements that you must obey when doing business in Canada or with Canadian firms.

A. Bid Rigging

Canadian law, like U.S. law, criminalizes any agreement or arrangement between competitors for any competitor to refrain from bidding on a project or to submit a "rigged" bid, *i.e.*, a bid with a price the competitors have agreed upon. As in the U.S., illegal agreements need not be in written form or involve a handshake and the prohibition applies to any agreement or arrangement, whether formal or informal, express or implied, written or oral. As in the U.S., a prohibited agreement can be inferred from the competitors' conduct, so you should act with care.

B. Price Maintenance

Canadian law prohibits any attempt by agreement, threat, promise or any like means to influence upward or discourage the reduction of the price at which anyone else supplies or offers to supply goods or services. Canadian law prohibits this type of conduct with both competitors and customers. Thus, unlike U.S. law, Canadian law does not permit you to influence your customers' resale prices. You may suggest resale prices, but you should not take any action designed to enforce the suggestion. Moreover, unlike the U.S. system, all suggestions of resale price must be accompanied by a statement making it clear that the customer will not suffer in its business relations with McWane or anyone else if it does not adhere to the suggested prices.

C. Conspiracy to Prevent or Unduly Lessen Competition

Any agreement or other arrangement between competitors which prevents or unduly lessens competition is a criminal offense in Canada. This prohibition includes agreements with competitors to: maintain prices; rig bids; allocate markets, territories or customers; limit, prevent or inhibit supply; and refuse to deal with suppliers or customers.

X. GOVERNMENT INVESTIGATIONS AND LITIGATION

It is McWane's policy to cooperate with every reasonable and valid request by federal, state and local government investigators. At the same time, McWane is entitled to all the safeguards provided in the law for persons under investigation, including representation by counsel. Accordingly, if you receive a subpoena relating to Company business, you should immediately notify McWane's Legal Department. If a government investigator requests an interview with any McWane personnel, seeks information or access to files or poses written questions, you should indicate that McWane will cooperate, but that you must first discuss that matter with McWane's Legal Department, who will then provide advice as to further action. McWane's Legal Department must also be contacted before McWane threatens to sue or institutes any litigation of any kind and before McWane complains to a government agency about the actions of anyone else. In the event any litigation is begun or threatened against McWane, notify McWane's Legal Department immediately, even if the action or threat appears to be insignificant or without merit.

X. SUMMARY

The obligation to obey the law applies to each team member as well as to McWane. Each team member's responsibility includes an awareness of situations which present antitrust or other criminal or civil risks, knowledge of McWane's Policy and the obligation to seek the advice of McWane's Legal Department where there is any doubt as to the legality of any action.

McWane's Legal Department may conduct periodic audits to review McWane's compliance with the antitrust laws. Each team member is required to cooperate with the Legal Department in these efforts. However, if you encounter any conduct which you believe may constitute a possible violation of these laws, do not wait for an audit. Notify McWane's Legal Department immediately. The fulfillment of this responsibility is basic to the satisfactory performance of every team member's job. **It is McWane's position that no commercial objective is more important than obeying the law.**

The United States antitrust laws are very complex and no summary can address every issue or situation which might occur. Accordingly, each team member is urged to contact McWane's Legal Department whenever a question arises concerning your obligations under the antitrust laws or McWane's Antitrust Policy. Of course, this Policy does not address the numerous other federal and state laws governing the Company's commercial relationships, and you must always be careful to abide by those laws as well.

McWane reserves the right to modify, amend, supplement or replace this Policy at any time with or without prior notice.

CERTIFICATION

I, _____, have read McWane LLC's Antitrust Policy in its entirety and understand the importance of compliance with the antitrust laws. I agree to adhere fully to McWane's policy of strict compliance with the letter and spirit of those laws and understand that my failure to comply will result in discipline, up to and including termination of my employment with McWane, LLC or its divisions or subsidiaries.

Signature: _____

Dated: _____