

PROPOSED ACQUISITION BY HANSON PLC  
OF PIONEER INTERNATIONAL LIMITED

UNDERTAKINGS GIVEN TO THE SECRETARY OF STATE  
FOR TRADE & INDUSTRY BY HANSON PLC PURSUANT TO  
SECTION 75G(1) OF THE FAIR TRADING ACT 1973

WHEREAS:

- (1) Hanson plc ("Hanson") proposes to acquire the entire issued share capital of Pioneer International Limited ("Pioneer");
- (2) it accordingly appears to the Secretary of State that arrangements are in progress or in contemplation which, if carried into effect, will result in a merger situation qualifying for investigation;
- (3) the Secretary of State has power under Section 75(1) of the Fair Trading Act 1973 (the "Act") to make a merger reference to the Competition Commission;
- (4) the Director General:
  - (a) has made a recommendation to the Secretary of State that such a reference should be made; and
  - (b) has under section 75G(1)(c) of the Act given advice to the Secretary of State specifying particular effects adverse to the public interest which in his opinion the merger situation qualifying for investigation may have or might be expected to have; and
- (5) the Secretary of State considers the undertakings given below by Hanson appropriate to remedy or prevent the effects adverse to the public interest specified in the advice given by the Director General;

NOW THEREFORE Hanson hereby gives to the Secretary of State the following undertakings for the purpose of remedying or preventing the effects adverse to the public interest specified in the advice given by the Director General:

Divestment

1. Hanson shall ensure that on or before 2nd November, 2000, or such other date as may be agreed with the Secretary of State, the sale is completed of all Interests held directly or indirectly by Hanson or by its Subsidiaries in the Nominated Assets.
2. Hanson shall ensure that any sale pursuant to paragraph 1 above shall be to a person or persons not under the control of Hanson, and not being an Associated Person or Associated Persons of Hanson or under the control of any such Associated Person or Associated Persons.

Continued Separation

3. After the disposal pursuant to paragraph 1 above, except with the prior written consent of the Secretary of State, Hanson:
  - (a) will not, and will procure that its Subsidiaries will not, directly or indirectly:
    - (i) hold any Interest in the Nominated Assets;
    - (ii) hold any shares or interest in shares in any company having control of the Nominated Assets;
    - (iii) hold any other interest carrying an entitlement to vote at meetings of any such company; or
    - (iv) acquire, other than in the ordinary course of business, any part of the Nominated Assets;
  - (b) will procure that no employee or director of Hanson as at the date of the disposal or any of its Subsidiaries will hold any directorship or managerial position in any company or other undertaking operating or having control of the Nominated Assets; and will not, and will procure that its Subsidiaries will not, nominate any person to any such directorship or managerial position;

- (c) will not, and will procure that its Subsidiaries will not, participate in the formulation or making of, or influence or attempt to influence the policy with respect to the businesses of any person carrying on or having control of the Nominated Assets; and
- (d) will not, and will procure that its Subsidiaries will not, enter into or carry out any agreement or arrangement with any person, if the carrying out of the agreement or arrangement is intended to result or will result in any person associated with Hanson, directly or indirectly, doing any of the things listed in (i) to (iv) of sub-paragraph (a) above.

#### Purchasers

- 4. Hanson shall ensure that at least ten working days before it or any of its Subsidiaries enters into a contract for the sale of an Interest in the Nominated Assets pursuant to paragraph 1 above, notice is given to the Director General of Fair Trading (the "Director") of the identity of any person or persons to whom such sale is to be made, and shall not complete or permit such sale without the Director's prior written consent.

#### Impeding Action

- 5. Prior to any disposal pursuant to paragraph 1 above, Hanson will, and will procure that its Subsidiaries will, take no steps which might impede the fulfilment of that undertaking or which might impede the ability of each of the Nominated Assets to be operated viably as a going concern following the disposal and, without prejudice to the generality of this undertaking will, before 2nd November, 2000 (or such date as may be agreed in accordance with paragraph 1), procure that:
  - (a) no part of the Nominated Assets, or Interest in any of the Nominated Assets, are transferred or disposed of;
  - (b) the nature, standard and extent of Nominated Assets is maintained; and
  - (c) no steps are taken which might lead to the integration of the Nominated Assets with any other business;

provided that this undertaking shall not prevent any disposal of assets or adjustment to the Nominated Assets in the ordinary course of business.

Information

6. Hanson shall provide promptly to the Director such information as he may reasonably require for the purpose of ascertaining that these undertakings are being or have been complied with.

Subsidiaries

7. Hanson shall procure that its Subsidiaries comply with these undertakings as if they had given them.

Interpretation

8. In these undertakings:

“Associated Person” is to be construed in accordance with Section 77(4) of the Act;

“Control” is to be construed in accordance with Section 65 of the Act, and in the case of a body corporate, a person shall be deemed to control it if he has an interest in that body corporate amounting to 10 per cent. or more of its issued share capital or carrying an entitlement to vote at meetings of that body corporate of 10 per cent. or more of the total number of votes which may be cast at such meetings;

an “Interest” includes shares, an interest in shares and any other interest carrying an entitlement to vote at shareholders’ meetings; and for this purpose, an “interest in shares” includes an entitlement, by a person other than the registered holder, to exercise any right conferred by the holding of those shares or an entitlement to control the exercise of any such right;

“Nominated Assets” means the assets, sites and quarries of Hanson or Pioneer International Limited listed at Annexes 1 to 3 of these undertakings together with all rights and options associated therewith; and

"Subsidiary" has the same meaning as in Section 736 of the Companies Act 1985 (as amended).

SIGNED FOR AND ON BEHALF OF HANSON PLC

ANNEX 1: AGGREGATES

Durnford  
Grove

ANNEX 2: ASPHALT

Durnford  
Forest Wood  
Burley Hill

## ANNEX 3: READY-MIXED CONCRETE

Eastbourne (Hanson)  
Newhaven (Hanson)  
Shoreham (Pioneer)  
Portsmouth (Pioneer)  
Havant (Pioneer)  
Andover (Pioneer)  
Ashford (Pioneer)  
Banbury (Pioneer)  
Chichester (Pioneer)  
Heathfield (Pioneer)  
Plymouth (Pioneer)  
Exeter (Hanson)  
Gloucester (Pioneer)  
Fairford (Pioneer)  
Bristol (Pioneer)  
Dawley (Pioneer)  
Barford (Hanson)  
Corby (Hanson)  
Rushden (Pioneer)  
Filey (Hanson)  
Risca (Hanson)  
Newport (Pioneer)  
Swansea (Hanson)  
Bedford (Pioneer)  
Great Billing (Hanson)