

TEREX CORPORATION

CODE OF ETHICS AND CONDUCT Effective May 1, 2004

THIS POLICY APPLIES TO ALL OPERATIONS WORLDWIDE

A Message from Ron DeFeo, Chairman and CEO

Integrity – A Word for All Reasons

There has been unending business press about corporate *Integrity* or the lack of *Integrity* among a few companies that have not been responsible stewards of stockholder and investor wealth. I think mentioning a few words on this critical word "*Integrity*" is appropriate. This is something for you to reflect and act upon. It is a state of mind as well as a precise measure. It is a word for all reasons. Let me explain.

First and foremost, we must uphold the highest ethical standards in all of our corporate activities. A company's conduct and its reputation are among its most valuable assets. It sets the tone for the relationships that a company enjoys with its employees, customers, suppliers, shareholders, the communities in which it operates, the public at large and its competitors.

Integrity is not the responsibility of the CEO alone. Certainly, corporate executives have leadership responsibility. When the team at the top acts responsibly, then the company will develop a solid culture to always do what is right even when pressured to take a wrong turn. However, *Integrity* is the responsibility of everyone.

We all act the way we do for a variety of reasons. Some of us are motivated by money. Some are motivated by pride. We can be motivated in our personal lives by love and at work we call this passion for our job. These reasons for our motivation can be strong positive influences to do things. However, we are each restrained by a personal code of conduct in our lives that reflects our individual values, society's influences and/or governmental law. We know what doing the right thing is. We know what acting with *Integrity* is all about.

Consequently, *Integrity* is a word for all reasons. When you are tempted to add extra time to your hours or put that extra few dollars on the expense report: Don't! When you are supposed to be selling and you are sleeping: Wake-up! When you tell half the story to your colleagues and mislead them: Think again! *Integrity* is a word that covers all the reasons.

At Terex, we have a culture of *Integrity*. We are a place to work where people do the right things because they are responsible and honest. I want everyone to live this value at work. With *Integrity* we have trust. Nothing should ever compromise our commitment to *Integrity*. Our stockholders, coworkers, customers and suppliers expect and deserve such devotion.

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Introduction

Terex Corporation, together with each and all of its subsidiaries and affiliates worldwide (collectively "Terex" or the "Company"), is committed to the practice of good ethics and conduct among its officers, directors and employees. This commitment has many aspects, including avoiding conflicts of interest, maintaining confidentiality of information, ensuring compliance with laws, fostering a work atmosphere of mutual respect, properly using company assets and observing accounting and control procedures to ensure accurate recording, dissemination and reporting of information.

The ethical behavior of Terex and its people takes precedence over profits, sales or other standards of success. We believe that ethical conduct is not only right, but also will result in success for Terex.

Terex is providing you with the following Code of Ethics and Conduct (the "Code"). The Code represents the core of our business philosophy and values. Our commitment to the highest standards of integrity begins with ensuring that everyone across Terex understands this core value. Core values define how we conduct ourselves, both as officers, directors and employees and as decision-makers.

All officers, directors and employees of the Company should carefully read and adhere to the policies set forth below. As a condition to employment or serving as a director, you agree to be bound by this Code.

It is important to note that Terex reserves the right to modify or revise this Code at any time, with or without notice. Further, nothing set forth in this Code is intended to create a contract of employment or otherwise alter Terex's employment-at-will policy.

Compliance with Laws

Terex conducts business in numerous countries around the world. As a result, our operations are subject to the laws of many countries, provinces, states, municipalities and organizations, such as the European Union.

An important challenge for all of us is to understand how these laws apply to our operations. Terex Corporation, our parent company, is a corporation organized in the United States. Accordingly, in some cases the laws of the United States may extend to the operations of Terex and its affiliates throughout the world, as well as to the business activities of Terex employees wherever they live and work. Other countries may also apply their own laws outside of their borders to their own citizens and to corporations that are organized under their laws.

In the policies that follow, the references to the laws where we do business reflect the reality that a global company is regulated by many different laws at the same time. In some instances, there may be a conflict between the applicable laws of two or more countries or between the applicable laws and the provisions of this Code. When you encounter such a conflict, it is especially important to consult the Terex legal department to understand how to resolve such a conflict.

Terex requires its officers, directors and employees to comply with all applicable laws, rules and regulations, including, without limitation, insider trading and antitrust laws, each of which is discussed elsewhere in this Code.

Conflicts of Interest

A conflict of interest occurs when an individual's personal interest interferes in any way or appears to interfere in any way with the interests of Terex. Officers, directors, employees and members of each of their immediate families may not offer or receive anything of value, either directly or indirectly, to or from any person or organization with which Terex does business or is in competition, where the offer or acceptance might compromise Terex's interest, might interfere with an officer, director or employee's discharge of duties, is intended or appears to be intended to influence, acknowledge, or reward the award of any contract, or is in violation of a law or statute.

The offer or receipt of any gift, gratuity, favor, entertainment, fee, commission, or any form of compensation or benefit that could improperly affect, or might be perceived to improperly affect, the outcome of a procurement or other business transaction and is not a reasonable and bona fide expenditure is prohibited. Receipt or payment of cash is always unreasonable. Receipt of an offer of a non-cash item, or a series of items, with a value greater than \$100 but less than \$250 from persons or organizations with which Terex does business, including prospective suppliers, is to be promptly reported (but in no event longer than five business days from the receipt of the offer) to the General Manager of your facility or to your supervisor. The General Manager or supervisor will then decide if accepting the item would violate the Code. If accepting the item would be a Code violation, then you either can refuse the item or pay for the cost of the item. Receipt of an offer of a non-cash item, or a series of items, with a value greater than \$250 from persons or organizations with which Terex does business, including prospective suppliers, is to be promptly reported (but in no event longer than five business days from the receipt of the offer) to the Terex General Counsel. The Terex General Counsel will then decide if accepting the item would violate the Code. If accepting the item would be a Code violation, then you either can refuse the item or pay for the cost of the item. For nonemployees, this policy only applies to any item that is received in connection with their service on behalf of Terex.

No officer, director or employee may engage in any outside business activity, pursuit, action, or investment that could by its nature or scope (with or without personal gain):

- Create an interest or benefit to the officer, director or employee that may be adverse to Terex's interest or otherwise adversely affect the interests or reputation of Terex.
- Be objectively construed as impairing or potentially impairing an impartial discharge of duties.
- Interfere with the satisfactory performance of assigned duties with Terex.
- Reflect a compromise or misuse of Terex information or assets.

Officers and employees are expected to devote their full working time and attention to their duties for Terex. Outside business activities of an officer or employee are permitted provided they do not involve cooperating with or becoming a competitor, customer, or vendor of Terex, or interfere with the satisfactory work performance of the officer or employee.

Officers, directors and employees are expected to recognize and avoid activities or investments that involve, or might appear to involve, a conflict of interest. While it is impossible to list in this policy statement every circumstance that may suggest a possibility of a conflict of interest, the standards for evaluating such activities or investments are the responsibility of the officer, director and employee. If an officer, director or employee is ever in doubt of whether a particular activity might create a conflict of interest, the officer, director or employee should feel free to contact their local human resources department, the Terex human resources department or the Terex legal department for advice.

Corporate Opportunities

Officers, directors and employees are prohibited from (1) taking opportunities for themselves that are discovered through the use of Terex property, information or position, (2) using Terex property, information or personal position for personal gain and (3) competing, directly or indirectly, with Terex.

Confidentiality

In the course of employment or service on the Board of Directors, officers, directors or employees may be exposed to information about Terex or other companies that is confidential or otherwise not generally available to outsiders or even to other Terex employees. It is expected that all officers, directors and employees will use discretion with respect to discussions and other communications of confidential information. Examples of confidential information include proposed business and product plans, cost structures, projected financial information, proposed management and organizational changes, and supplier and client lists and contacts.

Officers, directors and employees should not disclose, modify, destroy, disseminate, or use this information, in any way, for their own or anyone else's personal benefit, profit or advantage, nor may they use such information to the detriment or damage of Terex. Information in all forms relating to Terex business, its personnel, or to firms with which Terex does business must be treated with the standard of care required to avoid unauthorized disclosure, modification, and destruction or other improper use. In the case of information received from another firm, this standard of care may include obligations required by the contract between Terex and such firm.

Upon termination of employment or service as a director with Terex, officers, directors and employees must return to the Company all confidential information in their possession. Your obligations to confidentiality extend beyond your employment or service at Terex. Even after you leave Terex, you may not disclose or in any way provide Terex confidential information to other parties.

Fair Dealings

Officers, directors and employees must not take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or unfair dealing.

<u>Public Disclosures, Inside Information and Trading Terex Securities</u>

As a public company, Terex is subject to regulation under federal and state securities laws. There are specific rules about trading and the disclosure of information that must be observed by all officers, directors and employees. We must all strive to ensure full, fair, accurate, timely and understandable disclosure in reports that we file with the Securities and Exchange Commission and in other public communications.

Applicable law regulates the manner in which we use and disclose inside information, which primarily includes any material information about the Company that could affect the market price and investor decisions about our stock. Certain individuals will have access to inside information about the Company, which could include the Company's financial performance, negotiations about acquisitions or divestitures or new product breakthroughs. This inside information must be held in strict confidence except where we are authorized or otherwise legally obligated to disclose the information. We must never disclose financial information to anyone outside the Company, including the media, except as expressly authorized. Inquiries of this type should always be referred to the Chief Financial Officer or the Director of Investor Relations.

The securities laws restrict certain activities and practices with respect to the purchase and sale of securities, particularly by "insiders" or those with confidential information. Transactions in Terex securities should not be made under circumstances in which material non-public information might be, or might appear to be, involved. If you believe that you may be in possession of material non-public information relating to Terex, you may not enter into any transaction involving Terex securities. Officers, directors and employees should take particular care not to trade in the Company's securities shortly in advance of public release by Terex of important information, such as quarterly and year-end financial results. All transactions in Terex securities by officers, directors and employees with "insider" or confidential information should be approved in advance by the Terex legal department. These procedures also apply to spouses, children and other relatives who live in the same home as the officer, director or employee. Short sales and trading that is speculative in nature in Terex securities is strongly discouraged.

The regulations on stock trading and disclosure are sensitive and complex. If you have any questions, you should consult with the Terex legal department before acting.

Equal Opportunity; Discrimination and Harassment

Terex is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunity and prohibits discriminatory practices, including harassment. Terex expects that all working relationships will be business-like and free of bias, prejudice and harassment.

It is the policy of Terex to ensure equal employment opportunity and Terex is committed to a workplace free from discrimination on the basis of non-work related factors, including race, color, national origin, religion, sex, age, disability, veteran status or other characteristic protected by applicable law. Terex prohibits any such discrimination, including harassment, in all aspects of employment.

Sexual harassment constitutes discrimination and violates this Code. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example: (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include, but are not limited to: unwanted sexual advances or requests for sexual favors; sexual jokes

and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, whistling or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal or visual conduct of a sexual nature.

Harassment on any basis is also strictly prohibited. Harassment is defined as verbal or physical conduct that denigrates or shows hostility or aversion and that: (i) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (ii) has the purpose or effect of unreasonably interfering with an individual's work performance; or (iii) otherwise adversely affects an individual's employment opportunities. Harassing conduct includes, but is not limited to: epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes; and written or graphic material that denigrates or shows hostility or aversion toward an individual or group and that is placed on walls or elsewhere on the employer's premises or circulated in the workplace.

This policy applies to all employees, whether related to conduct engaged in by fellow employees or someone not directly connected to Terex (e.g., an outside vendor, consultant or customer). Conduct prohibited by this policy is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

If an employee experiences, or if an employee witnesses such conduct, the employee should immediately notify his/her supervisor. Any employee who feels uncomfortable for any reason bringing the matter to the attention of his/her supervisor or believes the supervisor to be involved in the discrimination, harassment or retaliation has several other alternatives in reporting this conduct. An employee may report the conduct to his or her Group Vice President of Human Resources or the other individuals identified in Terex's Equal Employment Opportunity and Harassment Policy, copies of which have been distributed to all employees and posted at all Terex facilities. In addition, an employee may file a report via Ethicspoint as described below.

Terex encourages the prompt reporting of complaints or concerns so that rapid and constructive action can be taken before relationships become irreparably strained. Therefore, while no fixed reporting period has been established, early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment.

Any reported allegations of discrimination, harassment or retaliation will be taken seriously and investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge. Resolution of the complaint will be reported to the employee. Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Misconduct constituting discrimination, harassment or retaliation will be dealt with appropriately. Responsive action may include appropriate relief for the employee bringing the complaint and disciplinary action, as Terex believes appropriate under the circumstances, including immediate termination from employment for any employee found to have violated this policy. If a party to a complaint does not agree with its resolution, that party may seek review from Terex's Chief Executive Officer.

Policy on a Drug-Free Workplace

Employees are expected and required to report to work in an appropriate mental and physical condition. The unlawful distribution, dispensation, sale, possession, use or manufacture of, or being under the influence of, alcohol, illegal drugs or controlled substances on Terex premises or while conducting Terex business off company premises is absolutely prohibited.

There may be Company-sponsored events where management approves the serving of alcoholic beverages. In these cases, all appropriate liquor laws must be followed, including laws regarding the serving of alcohol to those under the legal drinking age. Consistent with our policy, intoxication and excessive drinking at these events is prohibited.

In accordance with the U.S Federal Drug Free Workplace Act, U.S. employees must notify the Company of any criminal drug statute conviction or a plea of guilty or nolo contendere for a violation occurring in the workplace no later than five days after such conviction.

Violations of this policy will result in disciplinary action, up to and including discharge of employment.

Safety and Environmental Concerns

Terex places particular importance upon the safety of its employees and others and the protection of the environment. Terex is committed to the continuous improvement of workplace health and safety. Terex will not sacrifice the safety of its employees to achieve business goals. Terex's goal is to provide a safe workplace while producing products that meet the needs of its customers and shareholders.

All employees are required to obey all applicable national, local or other safety or environmental laws and regulations and must observe the proper safety rules and environmental practices in work situations. The Company is committed to compliance with these standards and closely monitors its workplaces to determine if equipment, machinery and facilities meet specified safety standards and that safety and health hazards are adequately addressed through appropriate work practices and procedures. Terex does not expect or permit the taking of unnecessary or unreasonable risks in the performance of duties by an employee. Employees should promptly report risky workplace behavior or unsafe conditions to their supervisor, Occupational Health and Safety Coordinator, General Manager or via Ethicspoint as described below.

The Company is committed to full compliance with both the spirit and the letter of all federal, state and local environmental statutes and regulations applicable to our business. In addition to knowing and complying with all applicable environmental laws and regulations, each Company employee has a personal responsibility to report to management any spills, discharges or releases into the environment for immediate remedial action. Employees should promptly report such known or suspected violations to their supervisor, Occupational Health and Safety Coordinator, General Manager or via Ethicspoint as described below.

Copyrights, Trademarks and Patents

All patents, trademarks, copyrights, drawings, specifications, computer programs, designs, photograph processes, reports, memoranda, models, notes and other intellectual property created by officers and employees in the course of their employment are the property of Terex, not the officer or employee.

To protect our own property rights, Terex officers and employees should fully document product development research and use appropriate Terex trademark and copyright notices on all correspondence, articles, manuals or other papers. Officers and employees should also avoid disclosing proprietary and confidential information outside of Terex unless there is a clear business purpose and the recipient has signed a confidentiality agreement.

Accounting and Financial Reporting

Terex's financial books and records should reflect the assets, liabilities, revenues, costs and expenses of the Company in accordance with U. S. Generally Accepted Accounting Principles (GAAP), Terex policy and local laws and regulations. No undisclosed, unreported or unrecorded funds of the Company shall be established for any purpose. Creating or attempting to create false or misleading records is absolutely forbidden. No officer or employee may conceal information from auditors or regulatory agencies. Further, officers and employees are required to disclose, on a timely basis, information required to evaluate the fairness of the Company's financial presentation, the soundness of its financial condition and the propriety of its operations.

No payment or transfer of Company funds or assets shall be made which is not authorized, properly accounted for and clearly identified on the Company's books. Furthermore, no payment or transfer of Company funds or assets shall be made or approved with the intention or understanding that any part of such payment or transfer is to be used except as specified in the supporting documents.

It is our policy to cooperate fully with the internal and external auditors and to disclose to them all required information on a timely, complete and accurate basis so that they can help us to ensure compliance with these principles.

No officer, director or employee may interfere with or seek to improperly influence, directly or indirectly, the auditing of the Company's financial records. Violation of these principles shall result in disciplinary action, up to and including termination, and may also subject the violator to substantial civil and criminal liability.

If an officer, director or employee becomes aware of any improper transaction or accounting practice concerning the resources of the Company, he or she should report the matter immediately to his or her supervisor, General Manager, the Terex legal department, the Terex Controller or Chief Financial Officer, a member of the Audit Committee of the Terex Board of Directors or via Ethicspoint as described below.

Document Retention

The space available for the storage of Company documents, both on paper and electronic, is limited and expensive. Therefore, periodic discarding of documents may be necessary. All books and records should be maintained in accordance with any Terex record retention policy that may be established from time to time. If you are unsure about the need to keep particular documents, you should consult with your supervisor or the Terex legal department, so that a judgment can be made as to the likelihood that the documents will be needed.

Whenever it becomes apparent that documents of any type will be required in connection with a lawsuit or government investigation, all possibly relevant documents must be preserved and ordinary disposal or alteration of documents pertaining to the subjects of the litigation or investigation must be immediately suspended. If an employee is uncertain whether documents under his or her control should be preserved because they might relate to a lawsuit or investigation, he or she should contact the Terex legal department.

Use of Company Property, Funds and Assets

All officers, directors and employees should protect the Company's assets and ensure their efficient and responsible use. Theft, carelessness and waste have a direct impact on the Company's profitability and therefore all of Terex's funds and assets may only be used for proper corporate purposes.

No Company funds or assets with a value of less than \$1,000 may be used to make any charitable contribution without the prior review and written approval of your Segment President or an executive corporate officer of Terex. No Company funds or assets with a value in excess of \$1,000 may be used to make any charitable contribution without the prior review and written approval of the Chief Financial Officer or the Chief Executive Officer. No Company funds or assets may be used to make any political contribution without the prior review and written approval of the Chief Financial Officer or the Chief Executive Officer.

E-Mail, Voicemail and Computer Systems

All Terex e-mail, voicemail, computer and other communication systems are the property of Terex and should be used only for job related purposes. Except as may be provided to the contrary by applicable local law, all communications and information transmitted, received or stored through such systems are the property of Terex. Incidental and occasional personal use of these systems is permitted, but employees should use common sense and good judgment in such events. Any transmission or use of e-mail, voicemail or facsimiles containing offensive, defamatory or harassing material is strictly prohibited. Employees should have no expectation of privacy when using the Company's e-mail, voicemail, computer and other communication systems, and the Company reserves the right to monitor and access an employee's e-mail, voicemail, computer and other communication records, including, without limitation, communications and/or materials that may have been deleted, documents that were created and stored on the computer system and monitoring sites visited by employees on the Internet.

Dealings with Government Officials

As a general matter, Terex and its employees are legally prohibited from offering, promising or giving money, gifts, rewards, entertainment or other favors to a government official or employee as a means of influencing official actions or decisions. This includes all national, state and local government agencies/authorities.

Most governments have laws prohibiting giving, or offering, money, gifts or other things of value to public officials to influence, or attempt to influence, the officials to act contrary to the law or to their official or legal obligations and responsibilities. Most jurisdictions also have similar laws with regard to the giving, or offering, of money, gifts or other things to a private person for the purpose of inducing him to act contrary to the interest of his employer. The Company prohibits the giving or money, gifts,

entertainment and other things of value to public officials or employees and to principals or employees of persons or entities with whom the Company does business.

All Terex employees in the U.S. also must comply with The Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act prohibits payments to any non-U.S. official in order to obtain, retain or direct business to any person or company, and can, under certain circumstances, include payments made by third party intermediaries where authorized or facilitated by an employee of Terex. However, under certain strict guidelines, it is permissible in some non-U.S. countries to make "facilitating payments" to guarantee that a ministerial or clerical worker performs certain routine duties. Any such proposed payment must receive the prior approval of the Terex legal department.

Violations of these laws could result in the criminal prosecution of Terex and/or an employee in his or her individual capacity. Non-U.S. companies and employees may also be criminally prosecuted in the U.S. for aiding and abetting in a violation.

Relations with Competitors

Terex requires its officers, directors and employees to comply with all applicable laws and regulations governing competition, including antitrust laws. Terex prohibits working with competitors to fix prices or to allocate markets or customers and also prohibits attempts to control the prices at which the Company's distributors or other customers resell our products to others, or to make agreements with another person or business not to do business with a third party.

The Terex legal department must be contacted prior to, and must approve, taking action of any kind in conjunction with a competitor of Terex. Officers, directors and employees should exercise extreme caution in any environment where competitors are present to avoid any perception of illegal relationships, particularly at trade shows, trade association meetings and conventions.

Employment at Will

A Terex employee is considered to be an "employee-at-will" unless the employee has a separate signed written agreement from the Company stating otherwise or as required by applicable law. At-will-employment means that both the Company and the employee have the right to terminate employment at any time, with or without cause. In addition, an employee's status as an at-will employee is not altered in any way by the Company's reservation of the right, in its sole discretion, to manage the employee's performance or to give verbal or written warnings or suspension in any given situation.

Reporting Violations

The interests of Terex, its shareholders and all of its employees are best protected when there are no violations of this Code and when any violations that do occur are promptly identified and corrected. If you are aware of, or have reason to suspect that a violation of this Code has taken place, promptly notify the Terex legal department, the Terex human resources department, your local General Manager or human resources department, as appropriate. All calls will be treated with due regard to the confidential nature of the issue.

In addition, reports may be filed through Ethicspoint 24 hours a day, 7 days a week via the Internet at www.ethicspoint.com or by calling toll free, (877) 584-8488 or 1-800 ETHICSP. Ethicspoint is a leading independent third-party company that offers a comprehensive, confidential and anonymous reporting system for complaints and grievances.

No Retaliation

If you report in good faith or participate in an investigation of a suspected violation of this Code or ask questions regarding this Code, you will not be subject to retaliation for doing so.

Conclusion

Officers, directors and employees of Terex are expected to conduct their business affairs in a responsible, legal and ethical manner. Each and every officer, director and employee of Terex is expected to know and understand all of the provisions of this Code and will be personally responsible for compliance with the provisions and the spirit of this Code. Officers, directors and employees who violate this Code are subject to disciplinary action, including summary discharge of employment. Applicable law may provide additional civil or criminal penalties.