

DRIVE time

Dedication
Relationships
Integrity
Vision
Excellence

SUMMER 2018

Well on Our Way!

HIR projected to double annual workload

Employee Engagement Survey

Read the results

9 Decades of Paving Excellence

How it all started back in 1928



90 Years of Paving Excellence.



James F. Gallagher, Sr. (pictured above), founded Gallagher Asphalt Corporation on June 5, 1928.

Gallagher Asphalt Corporation Celebrates

This year marks 90 years of road building for Gallagher Asphalt Corporation. Having never completed grade school, nor any experience running a company or asphalt plant—and with funds provided by a second mortgage on his family's home—at the age of 30, James F. Gallagher, Sr. founded Gallagher Asphalt Corporation (originally as J.F. Gallagher Co.) on June 5, 1928. "Dad had lots of courage," commented founder's son (deceased) President, Donald. "Despite his lack of formal education and real-world experience, and the fact that an economic depression was just beginning, he still forged on with his dream of starting a paving company."

After working for an asphalt contractor as a receptionist and clerk and later as an asphalt and oil salesman for Texaco Oil Company, James F. originally started in the business as a "broker" of projects to contractors throughout six counties in Northern Illinois. However, in 1934, the company established itself on Chicago's South Side at 93rd & Ewing after the City of Chicago awarded Gallagher the contract for furnishing the city's street crews with asphalt. Several years later, the company moved its base of operations to the Thornton quarry which was owned at the time by Moulding Brownell Company. The quarry is now owned by Hanson (formerly Material Service Corporation).

James F. was instrumental in the founding of many of the present contractor associations, such as the Illinois Asphalt Pavement Association, the Associated General Contractors of Illinois and the National Asphalt Pavement Association. "Our grandfather was a true innovator," states

third-generation co-owner and Chief Operations Officer, Dan Gallagher. "In fact, there are several asphalt-related U.S. patents that bear his name."

After earning their college degrees and serving their country, James' three sons—Jack, Jim and Donald—joined the business during the late '40s through the late '50s and succeeded ownership from their father in the late '60s. The company experienced tremendous growth throughout

the '50s, '60s and '70s with the south suburbs booming. "It was an incredibly exciting time to be in the business," said second-generation (deceased) President, Jack, a 49-year industry veteran. "The Interstate System was being built, towns were growing by leaps and bounds, huge shopping malls were popping up everywhere, and the heavy industrial market—such as steel mills and rail yards—were thriving."

"During their watch, the company made some major strides and became incredibly successful," asserts Jack's son and current President, Charlie. He adds, "The

second generation played a pivotal role in establishing Gallagher Asphalt as a well-respected paving contractor, employer and community leader." Jim withdrew in 1980. Jack and Donald maintained both ownership and management responsibilities throughout the '80s and most of the '90s. Jack retired in 1995 and Donald retired in 1999.

With three large-capacity plants located in Thornton (Cook County), Joliet (Will County) and Bourbonnais (Kankakee County), Gallagher Asphalt has paved thousands of miles of asphalt throughout the Greater Chicago Southland. High-profile projects over the years include

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1940 Paving



1960 Plant



1980 Plant



90 Years of Moving Families Forward!

the Dan Ryan Expressway, Lake Shore Drive, the Borman Expressway, Lincoln Mall, River Oaks Mall, Orland Square Mall, the Chicago Auto Auction, the Chicagoland Speedway and Route 66 Dragstrip in Joliet and BNSF Logistics Park in Elwood—not to mention thousands of resurfacing projects with virtually every municipality in the south suburbs, Joliet and Kankakee area.

Now in its third generation of family ownership and management, the company is run by one of Jack's sons—Charlie—and Donald's two sons—Dan and Patrick. Taking advantage of their diverse skills and educational background, each of them oversee different areas of the business; ranging from estimating to construction management to production to sales and marketing. In 2015, the company welcomed its first of the fourth generation, Jon Gallagher, who is involved with estimating and project management for commercial and industrial clientele. Last year, the company welcomed Dan's first son, Don, who now works as Plant Superintendent. And, earlier this year, the company welcomed Chris, Jon's brother, who is heading up project management for the Hot In-Place side of the business.

"While Gallagher Asphalt has been owned by the Gallagher family for 90 years, it has been 'operated' by a core of employees that are very close to being a part of the family," claims Charlie. "The Gallaghers are most proud of the men and women and families that have chosen to spend their careers here. Since 1990, we have honored over 50 people for their 25 years of service. This is a perfect demonstration

of our company's Mission Statement of "Moving Families Forward", states Patrick.

Although the road-building industry in Chicagoland is fiercely competitive, the Gallaghers are committed to growing their business by entering into new markets, increasing their niche product applications—such as Hot In-Place recycling process or StreetPrint stamped asphalt—as well as expanding their portfolio of construction services to include concrete paving, excavation and stone base preparation. Gallagher's Hot In-Place Recycling division is currently seeing considerable growth this season with the 2016 addition of a full-time sales team of eight and located around the entire country. The Hot In-Place crews will be working in 14 states this season; from California to Maryland and Minnesota to Alabama.



Gallagher Asphalt is leading the industry by embracing cutting-edge, environmentally-friendly asphalt technologies and continues to be the only paving contractor in Illinois to have received all three of the National Asphalt Paving Association's Diamond Commendations for excellence in

operations, production and placement. "The Diamond Commendations are just one result of our long-standing focus on 'Operational Excellence Through Innovation'", says COO, Dan.

As the company looks forward to the next 90 years of "Moving Families Forward", its owners recognize that it will continue to require everyone within the organization living its corporate values of Dedication, Relationships, Integrity, Vision and Excellence each and every day. ■

2017 Plant



Patrick, Dan & Charlie Gallagher



Chris, Jon & Don Gallagher



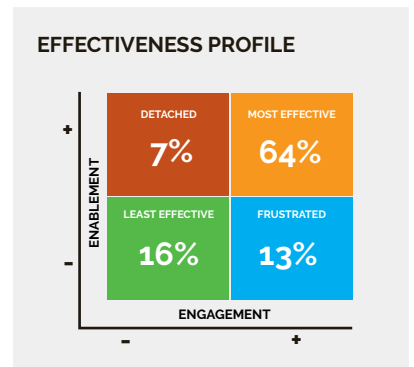
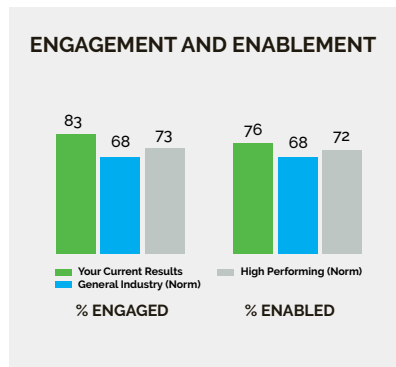
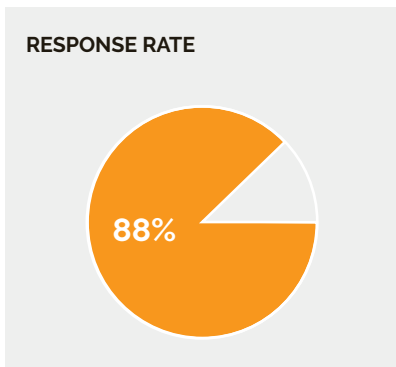
Employee Engagement Survey Results

We'd like to thank everyone who participated in our 2nd Employee Engagement Survey.

We are pleased to report, overall participation was 88%—5% higher than last year!

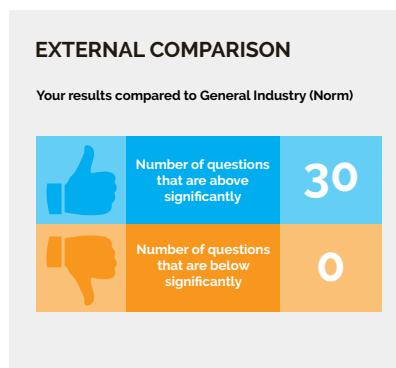
Engagement and Enablement were also up, 5% and 2% respectively.

We look forward to sharing more details of the results with you later this year.



TOP DIMENSIONS

1	Quality and Customer Focus	FAV 88%
2	Clear and Promising Direction	FAV 85%
3	Employee Engagement	FAV 83%



STRENGTHS

1	Gallagher Asphalt Corporation is innovative in how work is done (using new technologies or creative approaches to continuously improve).	FAV 91%
2	Given your choice, how long would you plan to continue working for Gallagher Asphalt Corporation?	FAV 88%
3	Gallagher Asphalt Corporation provides employee benefits that meet my needs.	FAV 89%

Employee Spotlight

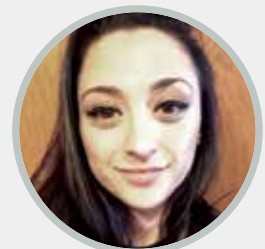
We'd like to welcome these new employees to our team!



Tina Larsh
Assistant Controller



Micah Lustig
Project Manager



Cristina Furtek | Office Clerk
Shepley Motor Express

Company Opportunities & Updates



2018 TRAINING & DEVELOPMENT

July

- Feedback and Fierce Conversations

October

- Emotional Intelligence

November

- Performance Management 2
- Insights and VBL 201



OPEN POSITIONS

(as of July 1, 2018)

- Project Engineer
- Concrete Project Manager



HIGH FIVE

Send submissions to Sonia Martinez at smarti@gallagherasphalt.com or call 708-922-1786.



EMAIL LIST

If you would like to receive company updates electronically, please email smarti@gallagherasphalt.com with UPDATES in the subject line to be added to the list.

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Who We Are

Respond Now is a 501.3c community service non-profit which seeks to respond first to individual food, shelter, and employment crises. With nearly 50 years of experience, we've become integral to our communities.

What We Do

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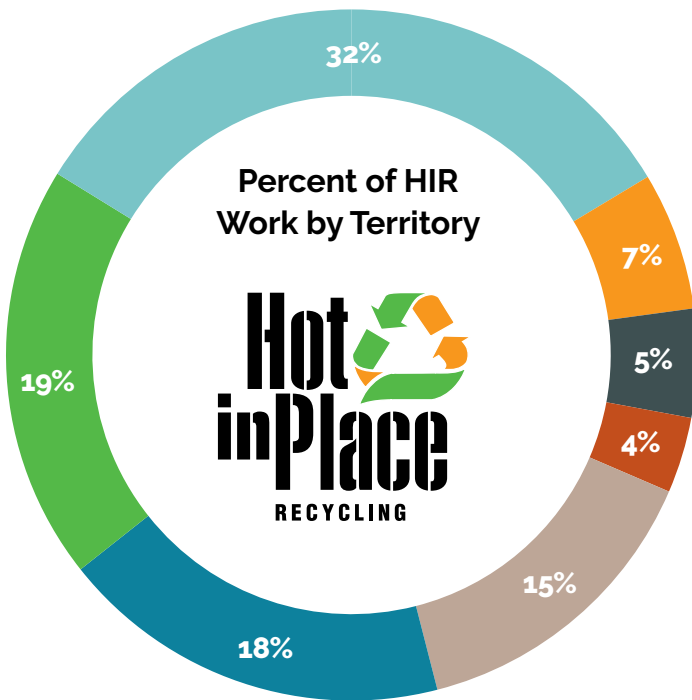
**Because All
Our Neighbors
Matter** ←



Well on Our Way!

This season, HIR (Hot In-Place Recycling) is projected to more than double its typical annual workload. Much of this success can be attributed to long-time HIR National Sales Director and veteran, Pat Faster, as well as the new sales team hired back in 2016. Thanks to their hard work during the past 18 months, they have scored projects with many new first time customers—and in some instances, in first-time states like Alabama and Iowa.

From California to Maryland and from Wisconsin to Georgia and many places in between, Gallagher has ramped up from the usual 1–2 sets of equipment to 4–5 sets in order to meet the unprecedented demand. And now, with Chris Gallagher as Project Manager and Brian Schneider overseeing the HIR foremen and crews, we're confident we will perform to our high standards. The crews are being led by some of the best of the best foremen—Brian Schneider, Derrick Gray, Kevin Prather and Eddie Knapp. ■



■ ILLINOIS & MICHIGAN
Justin Fleming



■ MARYLAND
Robert Dalton



■ ALABAMA, GEORGIA & TENNESSEE
Jeff Minatra



■ OHIO & INDIANA
Jordan Rugg



■ CALIFORNIA, OREGON & WASHINGTON
Anthony Hoag



■ IOWA & MISSOURI
Justin Gonzalez



■ MINNESOTA & WISCONSIN
Aimee Anundsen



Over the last year there has been a lot of talk around the Gallagher offices and project sites about engagement and value-based leadership. I am one of the biggest advocates of this type of approach. Why? I truly believe a lot of the answers to common problems and ideas to "take us to the next level" lie within every layer of our workforce. There are a lot of bright people here that I know have ideas that are just waiting to be cultivated!

I know what you are thinking...what does any of that have to do with safety? Here are some facts from a recent Gallup poll: "disengaged workers" have:

- 37% higher absenteeism
- 60% more errors and defects, and
- 49% more accidents!

So why do engaged workers work more safely? Engaged workers are fully committed to their work and the success of the company. They put in more effort, have a higher quality work product, go out of their way to assist others, have fewer accidents and are willing to provide feedback and suggestions on ways to increase efficiencies and improve the work environment.

Engaged workers are invested employees, and they will look out for each other and for the company's best interests. Employee engagement also shows consideration and care for the staff, which is spread through the company, creating a team atmosphere and providing a positive solution to health and safety concerns.

Engage by jumping in with both feet! Actively participate when asked for your opinion, offer ideas and suggestions to make a process improvement, or, simply look out for the safety of those around you. Employee engagement is much more than a buzzword. It will make us better as individuals, which in turn improves the entire team. If not for any other reason, engage for your safety! ■



Kevin Colwell has earned the Safety Certification for Transportation Project Professionals designation from the ARTBA (American Road & Transportation Builders Association).



ARTBA Transportation Development Foundation



Team Leader Award Jim Parker

Jim is our leader of the quarter!

As many of you know, Jim works tirelessly on every endeavor he sets forth on—most notably his contributions to the Safety Committee. Jim has dedicated his personal time over the last several seasons to the committee and has lead several initiatives that have resulted in a safer workplace. He recently stepped down from the committee to make room for someone new to bring their ideas to the table. When you see Jim, please thank him for his efforts! He has made Gallagher Asphalt a safer place for all of us to work.

DRIVE GALLAGHER ASPHALT Performance

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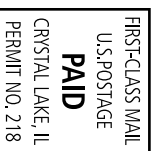


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Our Mission
Moving Families Forward

Our Vision
As a values-based organization, Gallagher Asphalt will be a nationally-recognized industry leader in safety, quality, and innovation. The company will continue to grow and be a great place to work by continually engaging and inspiring our team to reach their maximum potential.

Gallagher Asphalt Corporation
18100 S. Indiana Avenue
Thornton, IL 60476



- <Name>
- <Company>
- <Address 1>
- <Address 2>
- <City>, <State> <Zip>

