



**ACERINOX, S.A. GROUP
POLICY FOR THE
COMPLIANCE OF THE
COMPETITION AND
ANTITRUST LAW**

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ACERINOX, S.A. GROUP POLICY FOR THE COMPLIANCE OF THE COMPETITION AND ANTITRUST LAW

I. INTRODUCTION

Competition is essential to attaining economic efficiency and one of the basic tenets of a market-based economy. Companies forming part of the Acerinox Group are committed to obtaining and upholding a spirit of competition that is at once vital, healthy and fair, and comply meticulously with any applicable laws to this respect. The activities of these companies are regulated by strict and highly sophisticated worldwide principles of competition. With this in mind, the Group has decided to define good practices and implementation guidelines.

The employees and management must take personal responsibility for the strict application of this policy at all times and in any country where the companies forming part of the Acerinox Group operate.

The objectives of these directives lie in ensuring the conduct of both these companies as well as their employees complies with the laws of each country, in addition to developing common practices whose purpose are that wherever the companies of the group operate, their employees act in the same manner and in line with our reputation. Compliance of these directives is a condition expected of all employees and any non-compliance shall not be tolerated.

The employees and management of the companies in the Acerinox Group must bear in mind that, insofar as this issue is concerned, any rules regarding evidence or presumption may act in reverse. Thus, in the event of an investigation or litigation, on occasions we may have to demonstrate our own innocence, and not the other way round.

As a result, the Management Committee of Acerinox, S.A., for this company and the other companies in the Group, has approved the following directives:

II. DIRECTIVES AS TO HORIZONTAL COMPETITION

1.- In companies forming part of the Acerinox Group, any agreement or discussion taking place with competitors that affect the prices of our products is prohibited, whether these entail the increase, reduction, stabilization, or fixing of prices, discounts, sales, warranties, sales conditions, transport prices, credit terms or profit margins.

This prohibition must be strictly complied with, as a simple exchange of information on this matter – even if related to real market prices currently being applied – can lead to the assumption a cartel agreement has been made. Therefore, companies, employees and management are obliged to avoid any discussion with a competitor related to prices or pricing policy, except when the announcement is for general purposes or is intended for potential customers. It is likewise prohibited to send competitors any notices regarding price increases or reductions, and it is mandatory that any lists provided by competitors containing price increases or reductions be refused. It is also obligatory to refrain from exchanging pricelists with competitors.

However, information related to the prices and sales conditions of third parties may be obtained, provided they are from legal sources other than a competitor (customers, public sources, etc.).

2.- Any assignment or restriction of sales territory between competitors is prohibited.

Companies in the Acerinox Group are prohibited from making any agreements regarding sales if these promises are either to refrain from or limit making sales within a specific geographic market or territory. Notwithstanding, this prohibition is subject to exceptions formally validated in agreements in accordance with competition laws. Thus, any agreement to refrain from competition within a specific geographical market is prohibited, except when there is a legally valid exception.

3.- Any market distribution between competitors (agreements on sales volumes or quotas) is prohibited.

Companies in the Acerinox Group are prohibited from market sharing, as this entails a particularly serious infraction. Consequently, it is mandatory for all agreements related to sales volume and market quota percentage to be avoided, with any agreements with competitors as to this aspect being strictly forbidden.

It is likewise prohibited to establish agreements with competitors to limit the supply of products and services with the purpose of increasing prices or stabilizing the market.

4.- Any agreement with competitors that limits production or existing capacity is prohibited.

Companies in the Acerinox Group are prohibited from making any agreements with competitors that aims to agree to specific production levels or capacities. This means it is illegal to agree with competitors as to a maximum or minimum volume of production allowed, or agree to not open new production plants or limit existing production capacities.

5.- It is prohibited for competitors to assign customers or certain customer categories among them.

Companies in the Acerinox Group are prohibited from making any agreements with competitors either to sell or refrain from selling to a customer or type of customer. Consequently, it is prohibited to make agreements in which companies forming part of the Acerinox Group agree to not sell a specific product to a competitor's customers if these, in turn, agree to not sell another type of product to the customers of the companies in the Group.

It is likewise prohibited to make any agreement with competitors to refrain from marketing or selling its products or services for certain types of customers, as well as any agreement with competitors to boycott, discriminate or deny the sale to a specific customer.

6.- It is prohibited to gather, save or publish sensitive information regarding our competitors, which has been illegally obtained.

7.- Finally, it will always be mandatory for employees of the companies forming part of the Acerinox Group to consult their legal advisors before reaching any agreements or having meetings to that end with any of our competitors. The purpose of this is to verify that the agreement in question is in fact legal and its applicability has been subject to appropriate legal advisement, which shall be duly recorded.

The immediate superior shall be notified of any meetings or contact made with personnel from the competition.

III. CUSTOMER-SUPPLIER RELATIONS OR VERTICAL COMPETITION

The commercial relationships between steel companies, their raw material suppliers and their own customers are also subject to competition laws. As opposed to agreements between competitors, some customer or supplier agreements are necessary, appropriate and comply with competition laws (as different considerations are deemed to be anti-competitive). In principle, the interests of steel manufacturers, suppliers and customer are different. Notwithstanding, steel manufacturers may have interests and agreements that are similar to those of its suppliers, and when this occurs, the companies involved must consult their legal advisors as to these types of ties.

Negotiating capability is legally considered to be irrelevant, although in certain circumstances this may be otherwise. This is why the Management Committee of Acerinox, S.A., has approved the following directives to this respect for this company and the other companies forming part of the Group:

1.- Agreements between steel manufacturing companies against suppliers are prohibited, such as those regarding payment prices, payment methods, or the boycotting of a supplier.

2.- It is prohibited to set resale prices or profit margins, as well as discounts for one's customers / distributors. Any coercion, intimidation or threats or any kind (such as suspending payment) in order to fix prices is likewise prohibited.

3.- It is prohibited to force customers to or impede them from reselling their products in a specific territory.

4.- Exclusive distribution agreements.

When they cover a relatively large market quota, long-term exclusive agreements with companies outside the Group are prohibited, whether they are purchase or sale agreements or to limit territory. All this may be interpreted as a restriction on competition in that particular market.

5.- Prohibition of discriminatory practices.

It is prohibited to offer prices, rates, discounts or payment methods that are discriminatory to the same class of customer for the same product. However, it is not considered to be discriminatory when there is an economic rationale, such as a cost savings, purchase volume, promotional services, strategic interests, contractual conditions, etc.

6.- Related sales.

It is prohibited to impose conditions on the establishment of commercial ties, such as the acceptance of additional services that are unrelated to the principal service or product or without any justification whatsoever.

It is likewise prohibited to oblige a customer to purchase a product in order to acquire a different one.

In any case, before adopting an agreement that is in any way conflictive, the situation must be consulted with a legal advisor, who shall review the situation and recommend the right legal procedure to follow.

IV. CONDUCT OF ACERINOX'S GROUP BUSINESS REPRESENTATIVES IN FORUMS, CONVENTIONS, MEETINGS OR SECTORAL ASSEMBLIES

In meetings and events where competitors meet, competition law compliance is paramount. Members must be familiar and comply with the Antitrust Compliance Guidelines, which are available at <http://www.worldsteel.org/about-us/antitrust.html>, ensuring the compliance of the antitrust and competition laws in these meetings. Below we summarize what “we should” and “we should not” do in this kind of meetings and events:

We should:

- Follow the meeting agenda and limit discussions and questions to the topics on the agenda.
- Review all proposed presentation with the staff of the organizing body prior to the meeting.
- If in doubt, ask the representative or legal counsel of the organizing body before raising a question or issue before the group.

We should not:

- Discuss of current or future pricing, pricing terms, or any component of price.
- Discuss of current or future: production output, capacity utilization, capacity utilization involving non-public information, desired capacity, capacity utilization levels, coordinated capacity, production output increases or decreases.
- Discuss of geographical allocating, product markets, customers or classes of customers.

- Discuss of concerted actions involving costs (including concerted actions against suppliers).
- Discuss of future raw material prices, price terms, or negotiating strategies.
- Discuss regarding how to respond to price increases or other charges from suppliers or whether or how to pass on any costs to customers.
- Discuss of contemplated trade actions or complaints about trade flows.
- Discuss of non-public company-specific forward-looking commercial strategies or plans.

V. AWARENESS OF THE GROUP IN EVERYDAY PRACTICE

1. Monopolist collusion can be legally interpreted in misguided or mistaken notes, announcements or advice. Even comments made in meetings or in e-mails, however well-intentioned, can be misinterpreted or misused. Consequently, the Acerinox Group prohibits the making of any recommendations, insinuations or distribution of any other kind of concealed or ambiguous information in its companies regarding delicate or prohibited matters related to competition.

2. This is why, and bearing in mind that any document can be potentially confiscated during spot inspections carried out by competition law authorities, any use of inappropriate words or terminology in internal or external communications is strictly forbidden, as these can be misinterpreted or used as evidence in anticompetitive litigation (particularly when related to any of the competitors of companies in the Acerinox Group or their conduct in the market).

3. Employees are not only obliged to comply with the regulations derived from competition laws, but also they must be seen to comply with them at all times and under all circumstances. It is essential that an example is set as to issues related to competition, in such a way that legally accepted and approved activities are never used to hide or conceal anticompetitive conduct.

VI. POLICY ON THE PRESERVATION OF DOCUMENTS IN THE EVENT OF INSPECTION

1. Employees are obliged to cooperate with competition authorities, providing with them with all information related to the purpose of the investigation in question.
2. As a consequence, although it is normal practice for companies after an acceptable period of time to eliminate all types of documents in order gain space, it is prudent to save all those which may be useful in a future judicial investigation (for example, competitor's price increase notifications to customers, information sources concerning competitors, commercial antecedents regarding specific agreements, etc.). In other words, if an investigation is under way, certain documents may help demonstrate the diligence of our companies in this regard, thus preventing the imposition of fines. Therefore employees must not destroy sensitive information regarding competition (on occasion, the lack of information may be considered as obstructing the competition law investigation).

VII. NON-COMPLIANCE WITH THE POLICY

1. Violation of competition laws is widely considered to be a highly serious infraction having grave consequences, both for the company (high fines, damage claims, harm to reputation, etc.) as well as for the employee implicated in such a violation, even to the extent of imprisonment. The refusal to cooperate and the concealment or destruction of documents may likewise be considered an offence.
2. Employees of the companies in the Acerinox Group who do not comply with the stipulations of the applicable legal regulations, or with what has been established in this directive, shall be sanctioned by the company in accordance with the applicable labor legislation.

VIII. STATEMENTS OF RESPONSIBILITY

1. The highest executives at the companies of the Group and any others determined by the Management Committee of the Acerinox, S.A., who are listed in Annex I, must state their agreement in writing.
2. In accordance with the text included in Annex II, they shall biannually make a declaration of having complied with the content of these directives.

IX. RECORDS

1. Prior declarations shall be preserved in the headquarters of Acerinox, S.A. and managed from there.
2. In any case, if there is a question as to how these directives are to be interpreted or if any contact is made with the competition, it is recommended to inform and consult with the legal department and/or one's immediate superior.

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