

General Standard: NG1000.05
Section: PRESIDENCY

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Title: Anti-Corruption Policy

1. SCOPE

This standard aims to ensure that CSN Employees, whether **DIRECT EMPLOYEES** or **THIRD PARTIES** that are service providers, comply with, in addition to the provisions set forth by CSN's Code of Ethics, the provisions set forth by Law # 12.846, dated of October 1st, 2013 – the **BRAZILIAN ANTI-CORRUPTION LAW**, the US Foreign Corrupt Practices Act – **FCPA**, the **UK Bribery Act**, the British act criminalizing bribery and corruption and the **Sarbanes–Oxley Act (SOX)**, to ensure that during business conduction, everyone is engaged in mitigating risk situations both to CSN as well as to members of the Board of Directors and Board of Officers, by using the highest standards of honesty, transparency and legality.

This Standard obligates all employees of CSN and its subsidiaries, to drive business in an ethical manner and with absolute integrity, through mandatory compliance with the Code of Ethics, standards and internal policies as well as all laws and regulations against **Corruption** and **Fraud**, here understood as the **ANTI-CORRUPTION STANDARDS**.

By this standard, everyone will be able to assist the **COMPLIANCE** area in identifying risk situations, and therefore this compliance is mandatory.

Under no circumstances or under any case, the employees of CSN, whether **DIRECT EMPLOYEES** or **THIRD PARTIES** that are service providers, may claim ignorance of the responsibilities set forth herein, and such breach may be subject to disciplinary measures provided by CSN's Code of Ethics and the **ANTI-CORRUPTION STANDARDS**.

2. COVERAGE

This standard applies to all CSN companies and units (Brazil and abroad).

3. DEFINITIONS

PUBLIC AGENT: any director or employee, appointed or elected, of a municipal, state, regional, national or multinational government, or from any department, authority, agency or ministry of a government; any person who, although temporarily or without pay, holds a position, employment or public function; any officer or employee of an international public organization, such as the United Nations or the World Bank; any person acting with the authority or on behalf of a regulatory agency, department, public attorney's office or international public organization; a political party, an authority from a political party or any candidate running for public office; any officer or employee of a state-owned company or controlled by the state, as well as utility concessionaires (such as ports and airports, electricity distribution, power generation, water and sewer companies or power plants); Family members of any of the individuals above-listed may also be considered as public agents if the employees' or third parties' interactions with them have the purpose or effect of giving **SOMETHING OF VALUE** to a Public Authority.

SOMETHING OF VALUE: this includes anything that has monetary value, such as money or equivalents (including gift cards); benefits and favors (such as special access to some government agency); provision of services that otherwise would have to be paid for or purchased; gifts; contracts or other business opportunities granted to a company of which a Public Authority has ownership or some legal right; employment opportunities or consulting services; donations to charities; political contributions; medical expenses, education or cost of living; or travel expenses, meals, accommodations, shopping or entertainment.

COMPLIANCE: set of rules to enforce laws and regulations, policies and guidelines established for the business and the Company's activities, and to prevent, detect and handle any deviation or nonconformity that may occur.

INTERNAL CONTROL: process designed to ensure, with reasonable success, that the Company's objectives are met in the following categories: operational efficiency and effectiveness, trustworthy accounting and financial records, and compliance with laws and regulations applicable to the Company in its operating area.

CORRUPTION: is the social relationship (with a personal, extra market and illegal character) that is established between two agents or two groups of agents (corrupt and corrupting), whose goal is the transfer of income within the group and the public funds for strictly private purposes. This relationship involves the exchange of favors between the groups of agents and, generally, the compensation of the corrupt agent occurs with the use of bribes or any payment, prize, favor or reward.

DUE DILIGENCE: procedure of methodical analysis of information and documents with the predetermined purpose to understand the organization which the Company intends to relate with and interact.

EMPLOYEE: a natural person who provides non-eventual (routine) services to one or more CSN companies, under its command and by earning a salary. For purposes of this Standard, it is also considered an employee:

- a) The directors, administrators and officers that contribute to the business and activities of CSN, by signing a service contract and receiving (or not) fees for such services;
- b) Trainees, in accordance with the Trainee Law (Law # 11.788/2008); and
- c) Apprentices, according to the Apprenticeship Law (Law # 10.097 / 2000).

FRAUD: Type of irregularity involving criminal practices in order to obtain an unjust or illegal advantage in benefit of oneself or a third party. It refers to acts practiced with intent to deceive, involving misuse of assets or intentional irregularities regarding financial information, or to hide the misuse of assets or for other purposes by means of: manipulations, falsifications or alterations of documents and registration, omission of information from records or documents; registration of transactions without any substance and misuse of accounting standards.

INTERMEDIATE AGENTS: consultants, lawyers, sales representatives, distributors, dealers, brokers or other third parties acting on behalf of CSN, either with or without a power-of-attorney, in relations with government officials as well as the private sector.

MONEY LAUNDERING: process done to hide or legitimize illicit financial resources.

ANTI-CORRUPTION STANDARDS: CSN and its subsidiaries, subject to the provisions provided in the Company's Code of Ethics, are obliged to obey the Anti-corruption and anti-fraud laws and treaties below:

- **Brazilian Anti-Corruption Law:** Federal Law # 12.846, dated of August 01, 2013, regulated by Decree # [8.420, dated of March 3rd, 2015](#), which "Provides rules for the administrative and civil liability of legal entities for the practice of acts against the public administration, whether national or foreign, and provides other measures."
- **FCPA – Foreign Corrupt Practices Act:** Enacted in 1977, its purpose is to create civil, administrative and criminal sanctions in order to fight international trade corruption and provides rules about corrupt practices in the United States. CSN is subject to this law because it has ADRs issued inside the North American territory.
- **UK Bribery Act:** Effective from July 1st, 2011, it is applied to any type of bribery, not only those performed within the public service, i.e., UK companies that operate their business locally and overseas, foreign companies with operations in the UK and local and foreign officials.¹ **Inter-American Convention against Corruption (CICC), adopted by the Organization of American States (OAS)** – ratified by Brazil on October 07, 2002.
- **Sarbanes-Oxley (SOx):** Law enacted in the US in 2002, which purpose is to establish auditing mechanisms and reliable controls in companies, as well as committees charged with monitoring its activities and operations, in order to mitigate risks to business, avoid the occurrence of fraud and ensure ways to identify them whenever they occur and punish those responsible, ensuring transparency in the management of companies.

FACILITATING PAYMENTS: any payment, through which an action, service or governmental act may be expedited or designated to ensure the implementation of an action or service in relation to its normal conditions.

RED FLAGS: shall be considered as present whenever any fact or circumstance suggest that a particular transaction, relationship or employment involves a potential risk of bribery and / or corruption.

SEC (Securities and Exchange Commission): Regulatory and Supervising Agency of the US capital markets, equivalent to the Brazilian Securities Commission (CVM) in Brazil.

BRIBERY or KICKBACK: consists is the practice of a promise, offer or payment to an authority, government official, Public Agent or professional of the private sector of any amount of money or other favors (gifts or favoritism) in order for this professional to cease its ethical behavior regarding his/her professional duties.

THIRD PARTIES: Every and any service provider, supplier, consultant, business partner, third party contractor or subcontractor, whether individuals or legal entities, regardless of a formal contract, that use CSN's name for any purpose or that provide services, materials, interact with the government or with other agents on behalf of CSN to perform the contracted services.

INFLUENCE PEDDLING: consists in requesting, requiring, charging or obtaining, for oneself or third parties, benefits or the promise of benefits, under the pretext of influencing an act carried out by a Public Agent while performing his/her job.

4. RESPONSIBILITIES

4.1. Leadership (all levels)

- Develop and promote an organizational culture oriented to prevent and fight fraud and corruption by minimizing the possibility of its occurrence;
- Ensure the inclusion and the effectiveness of adequate internal controls to the risks of fraud and corruption inherent to the processes under one's management;
- Maintain the level of in-depth knowledge of the risks of fraud and corruption inherent to the processes under one's management, analyzing and identifying suspicious transactions that could contain fraud evidence;
- Extend the procedures for prevention, monitoring, identification and mitigation of fraud and corruption to third parties;
- Systematically create improvements in procedures for the prevention, monitoring and identification of fraud and corruption in the processes under one's management;
- Encourage the practice of fraud and corruption complaint, fighting any interference or hindrance to this action;
- Inform the Risk and Compliance Board about the knowledge of any fraudulent act; any changes, deletions or additions of necessary controls, as well as activities identified with risk of fraud and corruption;

4.2. All Employees, Third Parties and Intermediate Agents

- Perform activities under one's responsibility in a standardized manner, respecting the existing orientations and guidelines in the rules and procedures applicable to the Company;
- Report to the Risk and Compliance Board or the Reporting Channels about any suspicious transactions that may constitute evidence of fraud, corruption or any irregularity that one becomes aware of, regardless of the amount involved.

4.3. Information Technology Board

- Ensure that the provisions related to restricted access to systems, electronic processes approvals, changes in parameterization of rules and other systems are fully complied with, and that are formalized in the Critical Transactions and Access Conflicts Matrix, Scope and Responsibilities Policy and other internal regulations.

4.4. Ethics, Risk and Compliance Committee

- Evaluate the individual cases or potential violations of the Code of Ethics, resolve such cases and resolves uncertainties regarding its interpretation;
- Decide over omissions in the reporting of suspicion of fraud and corruption acts;

- Decide over conflicts of interest;
- Hold a regular meeting each year and, when necessary, extraordinary meetings, which may be called by any member of the Ethics Committee, whenever there are relevant issues that require urgent resolution.

4.5. Risk and Compliance Board

- Receive and investigate fraud complaints (internal and external) and corruption acts, transferring them to the Chairman of the Board of Directors and to the Ethics, Risk and Compliance Committee, if they are confirmed; as well as its representation before the applicable legal authorities;
- Maintain and publicize channels for complaints about the practice of fraud and corruption acts;
- Report to the Chairman of the Board of Directors suspicions of fraud and corruption being investigated;
- Maintain the level of in-depth knowledge of the risks of fraud and corruption inherent in all the Company's processes, analyzing and identifying suspicious transactions that could contain fraud evidence;
- Systematically create improvements in controls and procedures for the prevention, monitoring and identification of fraud and corruption in all CSN processes.
- Design and implement independent audit and inspections programs that verifies compliance of the adopted procedures related to preventing and fighting fraud and corruption.
- Promote periodic training on Compliance, Code of Ethics and Anti-corruption Standards.

4.6. Human Resources Department

Apply appropriate criteria and procedures in order to minimize the risk of hiring employees who are not considered suitable, and identify and report to the Ethics, Risk and Compliance Committee situations of conflict of interest.

5. GENERAL GUIDELINES

CSN does not tolerate any injurious acts against public and private, national and foreign administrations and prohibits any practice of **FRAUD** and **CORRUPTION**.

Thus, no **EMPLOYEE**, or **INTERMEDIATE AGENT** or **THIRD PARTY** may offer, promise, grant or authorize, directly or indirectly, the donation of money or any other **SOMETHING OF VALUE** to any person related with business dealings, in order to obtain an improper advantage, such as: preferential treatment, tax cuts, award of commercial contracts, cancellation of fines, licenses and permits.

5.1. Gifts, Entertainment and Hospitalitys

The **ANTI-CORRUPTION STANDARDS** prohibit the act of offering or giving **SOMETHING OF VALUE**, including gifts and hospitalitys to third parties in order to obtain an improper advantage or unjustifiable influence over the action of an authority or counterparty.

Thus, any offers of gifts, entertainment and hospitalitys, including gift cards, travels, lodging, meals, invitations to events, and any other benefits and advantages, should not influence CSN's decision making and should not be used as a reward for a decision.

5.1.1. Gifts and Presents

For purposes of this Standard, the offering of gifts and presents to **PUBLIC AGENTS** should be based as set forth in the Code of Ethics and by CSN's Gifts Policy, and it is prohibited to offer gifts and presents in order to influence decisions which CSN has interests in and shall only be acceptable if they are not understood as **INFLUENCE PEDDLING**, **CORRUPTION** or **BRIBERY**.

EMPLOYEES, **INTERMEDIATE AGENTS** and **THIRD PARTIES** should not accept gifts that exceed the established amount, in the specific standard about the subject. If the refusal is not reasonably feasible, the **COMPLIANCE** area must be informed in order to provide a proper solution.

It is also forbidden to give and / or receive gifts in cash.

5.1.2. Entertainment and hospitalities

The provision of entertainment (invitations to events such as theatrical plays, concerts, sporting events, sightseeing tour, nightclubs, among others) and hospitality (meals, air tickets, accommodations, transportation, driver, etc.) to a **PUBLIC AGENT** in order to obtain an improper advantage is hereby prohibited.

CSN believes that the provision of meals, entertainment and hospitality along with commercial negotiations with employees of the private sector is an acceptable practice, provided that they are not understood as a form of **INFLUENCE PEDDLING, CORRUPTION** or **BRIBERY**.

In case of questions regarding the offering or receiving of gifts, entertainment or hospitalities, **EMPLOYEES, INTERMEDIATE AGENTS** or **THIRD PARTIES** should contact CSN's **COMPLIANCE** area.

5.1.3. Sponsorships and Donations

Subject to the conditions set forth by CSN's Sponsorship Policy² and the Code of Ethics, contributions and donations to charities, as well as sponsorships, should be treated with caution as they may be a means for illegal payments or creating **CORRUPTION**.

Thus, aiming to mitigate risks, regardless of the amount involved, CSN requires a research process of charities and possible beneficiary entities, as well as the approval of the **PRESIDENCY**.

5.1.4. Political Contributions

Political contributions refer to contributions of **SOMETHING OF VALUE** to support a political goal. Examples include local, regional or national political events for fund-raising, provision of goods or services, payment of employees during working hours to work at a political function, or payment of political campaign expenses.

These types of contributions are, in most cases, subject to abuse and illegal in many countries.

Thus, they must be previously authorized by the **PRESIDENCY**.

For purposes of this Standard, contributions to professional associations (unions) or membership fees in organizations that deals with corporate interests are not considered political contributions.

5.2. Conflict of interest

CSN's employees have a duty to prevent and, if necessary, to remedy conflict of interest situations, both in relation to CSN and its employees and in relation to CSN and **PUBLIC AGENTS**.

Thus, the following acts are prohibited:

- a) negotiate with companies with any type of connection with the government (or their family members) in order to obtain some kind of benefit;
- b) offer gifts to **PUBLIC AGENTS** which decisions CSN has a direct interest in, according to CSN's Gifts Policy;
- c) hire, even indirectly or as a consultant, a **PUBLIC AGENT** during his/her term of office or in the "quarantine" period, except in cases in which law authorizes such;
- d) use privileged information received by a **PUBLIC AGENT** which was required to be kept confidential; and
- e) work with a **PUBLIC AGENT** which is considered family³ of any employee of CSN and has decision-making power within the business and operations of CSN.

To mitigate risks of possible conflicts of interest in relation to CSN and the government, CSN employees should inform their Manager and the **COMPLIANCE** area the existence of Family members working in public agencies through the email compliance@csn.com.br.

5.3. Procurement process

- a) All procurement process should be done under the terms and conditions of the Code of Ethics and Standards and Policies related to the Supply area. The procurement of goods and services through the misuse of influence over any person, whether a **PUBLIC AGENT** or not, is strictly prohibited.
- b) During the bidding process, **EMPLOYEES, INTERMEDIATE AGENTS** and **THIRD PARTIES** may not receive or offer any gift or entertainment from/to any person or entity, whether a **PUBLIC AGENT** or not, that may improperly influence or offset an act or decision, as actual or intended compensation for any benefit of the Company and its shareholders.

5.4. Bidding Processes

The bidding process is the instrument used by the government, public agencies and companies for hiring services or purchasing products from a private company. In bidding processes and concession contracts and public-private partnerships, the following acts are prohibited:

- a) frustrate or defraud, through alteration, combination or any other manner, the competitive character of a public bidding process;
- b) prevent, hinder or defraud the performance of any act of the public bidding process;
- c) ward of or try to ward of a bidder through **FRAUD** or through the offering of any type of advantage;
- d) defraud a public bidding process or the contract that results from it;
- e) create, fraudulently or irregularly, a legal entity to participate in a public bidding process or enter into a public contract;
- f) fraudulently take advantage or undue benefit from modifications or extensions of contracts executed with the public administration, without authorization by law, in the public bidding act or in their contractual instruments; or
- g) manipulate or defraud the economic and financial balance of contracts with the public administration.

5.5. Facilitating Payments

CSN does not permit **FACILITATING PAYMENTS** or offering undue benefits to **PUBLIC AGENTS** or private sector agents, in order to expedite or favor the analysis of administrative procedures, including with the intent to obtain licenses, authorizations, permits or any other provisions of a regulatory or audit nature.

5.6. Money Laundering

CSN prohibits any initiative related to **MONEY LAUNDERING**. Therefore, the following conditions must always be observed:

- a) unusual manners or complex patterns of payment;
- b) unusual transfers to or from countries unrelated to the transaction;
- c) customers or suppliers with operations that appear to have little integrity;
- d) customers or suppliers who demonstrate a behavior to avoid information registration requirements; and
- e) transactions involving locations previously associated with "money laundering" or tax evasion.

5.7. Intermediate Agents

Most of the time, public **CORRUPTION** originates from the act of using **THIRD PARTIES** as intermediaries for obtaining business with the government, obtain a government action or in any lawful manner, act on behalf of CSN or its subsidiaries before government authorities.

The **ANTI-CORRUPTION STANDARDS** do not distinguish between acts performed by CSN's **EMPLOYEES** or those performed by a **THIRD PARTY** or **INTERMEDIATE AGENT** acting on its behalf.

Thus, it is necessary that our **INTERMEDIATE AGENTS** use the same business conduct standards CSN uses when interacting with **PUBLIC AGENTS** or private sector customers.

Examples of **INTERMEDIATE AGENTS**:

- a) business consultants related to the Commercial Area who assists CSN in obtaining sales or orders;
- b) sales agent and / or Commercial Representatives acting on behalf of CSN and its subsidiaries as a service provider or self-employed professional, in a long-term or permanent basis, in a defined territory and that interact on behalf of CSN with government representatives;
- c) an agent that communicates with government agents about drafting legislation or rules, regulation or government policy;
- d) customs clearance agents that processes the transit of imported goods or exported through customs;
- e) financial advisor, lawyer or consultant who interacts with government agents with regards to transactions with government entities;
- f) lawyer that represents CSN and its subsidiaries in court or before regulatory agencies, such as authorities from security, health, environmental, tax, financial, utilities or transport areas;
- g) suppliers that subcontract other companies to perform services for CSN.

5.8. Accounting Records

In line with the Code of Ethics, CSN and its subsidiaries, shall have and keep books, accounting records and accounts reflecting in a detailed, precise and correct manner, all operations and financial transactions.

Thus, the use of false documents and invoices, as well as inadequate or fraudulent accounting entries, and any other procedure, technique or accounting scheme that could hide, manipulate or otherwise cover up illegal payments or unlawful acts is strictly forbidden.

In order to ensure that the Company's Financial Statements do not contain untruths or omit facts relevant to a proper understanding of numbers, Management shall maintain an adequate internal control structure and that detailed information are reported to the **SEC**, as provided in sections 404 and 302 of the Sarbanes Oxley Law. Failure to comply with these guidelines shall be subject to fines and penalties under this same law.

5.9. Mergers, Acquisitions and Investments

- a) Whenever CSN seeks new business through consolidation, merger, acquisition of any organization or asset, an insightful **DUE DILIGENCE** process should be performed and include in the purchase and sale agreement the appropriate anti-corruption clauses, besides considering other options available to avoid the succession of any preceding liability prior to the closing operation;
- b) A **DUE DILIGENCE** must be a performed for verification of compliance of the Anti-Corruption Laws provisions prior to completion of the business. If any violations of the **anti-corruption standards** are identified, the Risk and Compliance Board must be formally communicated;
- c) In any case, after the completion of the merger, consolidation or acquisition, an analysis of compliance with the Anti-Corruption Law and the anti-corruption policy of the acquired or merged organization should be conducted and compliance measures implemented.

Therefore, to minimize risks in the process of mergers and acquisitions, in addition to economic evaluation, there should be, prior to completion of the transaction, a request to the **COMPLIANCE** area for an anti-corruption analysis, with the purpose of identifying a history in involvement with corruption or other illegal or unethical conduct involving the company that is being acquired.

5.10. Fraud Characterization

The frauds are committed by persons and / or organizations to:

- a) Obtaining money, goods or services;
- b) Avoid payment or loss of services;
- c) Ensure personal or business advantage.

Fraudulent activities are considered:

- a) Cause or aggravate an injury to one self's body or health, in order to receive insurance;
- b) Falsify or alter documents or records, as well as use such falsified or altered documents;
- c) Omit relevant information or intentionally disclose incorrect facts or information;
- d) Disclose or use privileged and / or confidential information;
- e) Accept payment for goods not received or services not rendered;
- f) Request reimbursement of expenses not related exclusively to the activities of Company;
- g) Omit information on possible cases of fraud or neglect their investigation/handling;
- h) Any other fraudulent act under the Penal Code and other laws.

5.1. Attention Signals, Alerts and Red Flags

RED FLAGS are risk points identified by the COMPLIANCE area during the process of interviews with company executives and point to the need for continuous monitoring. Upon the identification of a **RED FLAG**, one should carefully consider the measures that need to be taken in order to minimize or eliminate the risk of **FRAUD, BRIBERY** or **CORRUPTION** that such a particular relationship could present, including the eventual termination of such relationship.

Examples of **RED FLAGS**:

- a) Operations involving a country known for corrupt payments;
- b) Payments offered or made in cash;
- c) Gifts or hospitality involving a **PUBLIC AGENT**;
- d) Payments made to offshore or tax havens in transactions not characterized as CSN and its subsidiaries' regular activities operations abroad;
- e) Payments or expenses improperly documented;
- f) **EMPLOYEE** or **INTERMEDIATE AGENT** requests for a transaction to be structured in a way to conceal material facts or evade local laws;
- g) **INTERMEDIATE AGENT** requests payment in a country other than the one where his/her/its headquarters or main administrative offices are located, or in where he/she/it has a permanent establishment directly involved in the business performance for which he/she/it was hired;
- h) **INTERMEDIATE AGENT** is not qualified or does not have the experience and resources needed to perform the functions for which he/she/it was hired for was contracted;
- i) **INTERMEDIATE AGENT** was incorporated under two years ago;
- j) **INTERMEDIATE AGENT** or **EMPLOYEE** refuses to certify anti-corruption compliance practices or is opposed to representations, warranties, agreements, anti-corruption **DUE DILIGENCE** rights and related language in contracts with CSN;
- k) **INTERMEDIATE AGENT** with current or previous cases of corruption or other legal violations;

- l) **INTERMEDIATE AGENT** recommended by a **PUBLIC AGENT**;
- m) **INTERMEDIATE AGENT** or **EMPLOYEE** who has personal, family or business relationship with **PUBLIC AGENT**;
- n) **INTERMEDIATE AGENT** that requests unusual contract terms or payment arrangements that raise concerns under Brazilian laws, United States Laws and / or local laws (including laws against money laundering), such as payment in cash, payment in another country's currency, payment to a third party that has no relation to the commercial operation, or payment prior to the conclusion of a purchase agreement (or any other form of advance payment);
- o) **INTERMEDIATE AGENT's** commissions or fees exceed the usual rate charged for similar services in that geographic area, or unreasonably exceed rates paid by CSN for similar services elsewhere.

The above list is not all inclusive and the evidence may vary depending on the nature of the operation, the payment and / or expense request, as well as geographic location.

5.12. Channel for Questions and Complaints

Anyone who becomes aware of a violation of any item of this Standard, by a CSN EMPLOYEE or any third party acting for or on behalf of CSN, has a duty to communicate that fact to the COMPLIANCE area via e-mail: compliance@csn.com.br or **Reporting Channels**, namely:

Telephones: 0800-884-2006 (Brazil)
E-mail: canal_denuncia@csn.com.br
Correspondence:
A / C Risk and Compliance Board
Av. Brig. Faria Lima, 3400 - 20th Floor - Itaim Bibi
São Paulo - SP - CEP 04538-132

Both channels are confidential and ensure the informer's anonymity.

Any retaliation against an employee that, in good faith, reports an illegal conduct or contrary to the guidelines of this standard shall not be allowed or tolerated.

The communication channels available above may also address questions or requests for clarification concerning the application of this standard.

5.13. Investigations

All complaints related to violation of any item of the Standard shall be duly investigated by COMPLIANCE Investigation area and reported to the Ethics, Risk and Compliance Committee and / or the Board of Directors, which have autonomy and independence to investigate, inspect and decide over cases and apply appropriate disciplinary sanctions.

5.14. Violations and Penalties

Any **EMPLOYEE, INTERMEDIATE AGENT** or **THIRD PARTY** that practices **FRAUD** or acts of **CORRUPTION** or violates any provision of this Standard shall be subject to disciplinary sanctions, which may include dismissal with just cause or termination of the agreement, according to the Disciplinary Conduct and Monitoring Policy.

Moreover, violations of the **ANTI-CORRUPTION STANDARDS** could result in criminal prosecution of those involved as well as the arrest of individuals, CSN's civil and administrative liability through fines that could range from 0.1% to 20% of the yearly gross sales of the prior year, prohibition to receive incentives, subsidies or loans from public agencies for a period of 1 to 5 years, suspension or partial ban of its activities, irreparable damage to its reputation, among others.

Therefore, in case of questions as to the content of this standard or situations that are not provided herein, contact the **COMPLIANCE** area.

5.15. Commitment Agreement

CSN employees will be responsible for the compliance of the provisions of this Standard.

It is the responsibility of all CSN managers to disclose to their subordinates about the content of this standard in order to make them aware of the need for compliance, thus preventing violations due to lack of information and encourage them to present questions or concerns regarding its application.

6. REFERENCE DOCUMENTS

CSN CODE OF ETHICS
IN1403.05 – Disciplinary Conduct and Monitoring Policy
NG1006.03 - GIFTS POLICY
NG1006.05 - SPONSORSHIP POLICY

7. ATTACHMENTS

Not applicable.

8. NOTES

Not applicable.

9. APPROVAL

This document was approved by the respective executives indicated below and shall enter into force on the date of its publication.

Rosana Passos de Pádua
Risk and Compliance Officer

Benjamin Steinbruch
CEO

[1] Currently, CSN is not subject to the UK Bribery Act, since it has no business in the UK.

[2] NG. 1006.05

[3] third-degree relatives such as father, mother, son (daughter), brother (sister), grandfather (grandmother), great-grandfather (great-grandmother), grandson (granddaughter), great-grandson (great-granddaughter), uncle (aunt) and nephew (niece) and parent-in-law such as spouse, partner, son-in-law, daughter-in-law, father-in-law, mother-in-law, stepfather, stepmother, stepson (stepdaughter) and brother-in-law (sister-in-law).