



Business Conduct Policy

Revised September 13, 2011

Last Revision December 1, 2010

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BUSINESS CONDUCT POLICY

Introduction

The way in which we conduct the business affairs of Republic Steel reflects precisely what we stand for both as individuals and as a company. It is critically important to our success that we conduct ourselves in such a manner as to command the trust and respect of our fellow employees, our customers, our suppliers and the public at large.

This statement of policy has been prepared to provide guidance and assistance to each of us as employees, officers, directors, contractors, subcontractors and agents (collectively, "employees") of Republic in accomplishing that goal. It does not, however, identify every possible situation that may confront us in our business dealings. There may be situations where there is a genuine question as to the proper and acceptable way of handling a problem or situation.

You should never hesitate to ask a question or report a concern. If you become aware of a situation in which you believe Republic's ethical and legal guidelines have been violated or if you feel you are being pressured or being asked to compromise your values, it is your responsibility to communicate this concern to the Company. It is important for you to know that you will not be disciplined, lose your job or be retaliated against in any way for asking questions or voicing concerns about our ethical or legal obligations, as long as you are acting in good faith. ***Good faith*** does not mean that you have to be right – but it does mean that you believe you are providing truthful information.

There are a number of people you can contact to ask questions or voice concerns. Your most immediate resource is your supervisor. He or she may have the information you need or may be able to refer the question to another appropriate source. There may, however, be times when you prefer not to go to your supervisor. In situations where you choose not to go to your supervisor, either because your supervisor does not have the information you need or because you desire confidential advice about an ethical or legal dilemma facing you, the issue should be raised to the highest-ranking individual at your facility. If you are uncomfortable with that, you can contact the Director of Corporate Human Resources who has been designated as Republic's Ethics Officer (330-438-5400 or 330-438-5470), or the Ethics Hotline (800-582-0029). You can leave your message on voicemail. You may, but need not, leave your name and/or telephone number so the Ethics Officer can get back to you for more facts or response. If you prefer, you can also leave a message via email to ethics@republicsteel.com.

When you make a contact, this is what you can expect:



- Your report or concern will be taken seriously.
- The accuracy and completeness of your report will be investigated by persons who are not in the chain of supervision over you. Each report will be carefully evaluated before it is referred for investigation or resolution.
- Your report will be handled promptly, discreetly and professionally. Discussions and inquiries will be kept in confidence to the extent appropriate or permitted by law.
- If you wish, you can obtain certain follow-up information about how the Company addressed your report. In the event that an investigation is initiated, employees have a shared accountability to answer any questions truthfully and to the best of their ability. Concealing or covering up an ethical or legal violation is itself a violation of our guidelines. If an individual engages in concealing or covering up such violations, in the absence of significant mitigating circumstances, the penalty for such conduct would generally be immediate discharge. It also is expected that employees will cooperate fully in an investigation if requested to do so. Failure to cooperate could be construed as participating in concealment or cover-up activities. Your cooperation is appreciated.

General Principles

The basic standards upon which our business conduct should be grounded are excellence, honesty and integrity. Those standards manifest themselves in the following ways. First, whatever our job or task, we should perform it to the very best of our ability and capacity so that Republic and we will maintain a reputation for quality and excellence.

Second, we must be completely honest with all with whom we deal – our fellow employees, our Company, its customers, suppliers and competition, Government agencies and all others. Our records must honestly reflect that which has occurred in our business dealings.

Third, we must be persons of integrity, faithfully adhering to the highest standards of ethical behavior. Integrity involves simply doing that which is right, and each of us usually knows what is right when the choice arises.



While following these general principles in our business behavior should cover most, if not all situations, there are three areas of special significance that deserve particular mention.

- It is the clear policy of Republic to comply fully with both the letter and the spirit of the law. That policy applies wherever we do business, whether at home or abroad.
- Republic's success will turn on the quality of its products and its services and the competitiveness of its prices. Attempts to circumvent those factors by payoffs, bribes, kickbacks or other unlawful arrangements will be grounds for discharge.
- Finally, it is imperative that we deal fairly, openly and honestly with each other. In so doing we must insure that an individual's opportunities within Republic are based upon demonstrated ability and performance and not upon factors which are irrelevant or the result of prejudice.

All employees are responsible for familiarizing themselves and complying with this Policy, and all applicable governmental laws, rules, regulations and Company policies affecting their work. Employees should have a basic understanding of issues covered by each Company policy and a detailed understanding of all policies that apply to their job. All employees are required to report or cause to be reported information relevant to potential violations of this Policy, and should assist in any investigation by any person with supervisory authority or the power to investigate such matters within the Company, and any regulatory or law enforcement agency, elected officials or others responsible for such matters. Although it may not always be possible for reasons beyond the Company's control, the Company will endeavor to maintain, if the employee so desires, the anonymity of the employee and the confidentiality of the information that is reported. The Company will not retaliate against an employee who files, causes to be filed, testifies, participates in, or otherwise assists in a proceeding filed or about to be filed regarding any matter such individual in good faith believes may constitute a violation of this Policy.

The Board of Directors shall determine, with or without the assistance of qualified independent third party advisor or advisors, appropriate actions to be taken in the event of a material violation of this Business Conduct Policy. Such actions shall be reasonably designed to deter wrongdoing and promote accountability for adherence to this Business Conduct Policy. Such actions may include reprimand, censure, affirmative obligations to take corrective or other actions, suspension with or without pay or benefits, re-assignment, demotion or termination of employment,



reimbursement and/or forfeiture of salary or bonuses, disgorgement of profits realized and/or any other actions determined to be necessary or appropriate under all the circumstances. In determining what actions are appropriate in a particular case, the Board shall take into account all relevant information, including but not necessarily limited to the nature and severity of the violation, whether the violation was a single occurrence or one of several repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the employee knew or should have known the proper course of action, and whether or not he or she has committed other violations of this Business Conduct Policy in the past.

In very rare circumstances, situations may arise in which a waiver may be appropriate. Waivers will be determined on a case-by-case basis by the Company's senior management with the advice of outside counsel. However, waivers for directors and executive officers may only be granted by the Board of Directors, which shall have the sole and absolute discretionary authority to approve any deviation or waiver from this Business Conduct Policy for such individuals. Any waiver for directors or executive officers, and the grounds for such waiver, shall be promptly disclosed to the extent required by applicable law, SEC regulation or stock exchange requirement. No amendment of this Business Conduct Policy shall be effective without Board approval, and any such amendment shall be disclosed as required by applicable law.

Compliance with Laws and Regulations

All activities of Republic shall be conducted in compliance with all applicable laws, regulations and judicial decrees of the United States (Federal, state and local) and of other countries where Republic transacts business. No employee should at any time take any action on behalf of Republic which he or she knows or reasonably should know would violate any law or regulations.

Conflicts of Interest and Outside Activities

Employees should avoid any situation that does or may involve conflict between their personal interests and the interests of the Company as a whole. In dealings with other Company employees, current or potential customers, suppliers, contractors and competitors, employees should act in the best interests of the Company as a whole and not based on personal relationships or personal advantage. Employees must scrupulously avoid even the appearance of a conflict between personal interests and those of the Company.



Employees shall not engage in any outside activity or investment that might be regarded as detrimental to Republic's best interests. Any outside business activity or investment which has been fully disclosed to Republic and approved in writing, either at the time of initial employment or subsequent thereto, may continue in the manner approved until and unless the employee is advised to the contrary. Employees may be requested to advise Republic in writing concerning their outside business activities. Any employee who has doubt as to the propriety of any of his outside interests or activities may obtain a clarification thereof at any time by submitting a written request to the Republic Corporate Human Resources Department.

Each case has circumstances peculiar to itself; therefore, it is not feasible to classify all possibilities. The following illustrations are considered typical of the kind of outside interests and activities that may be regarded as detrimental to Republic.

- Directly or indirectly engaging in or holding stock or other financial interests in a business enterprise which competes with Republic or has a business objective common to that of Republic, unless such financial interest is limited to ownership of publicly-traded securities or unless prior approval is obtained from Republic's Corporate Human Resources Department. In no event shall such financial interest exceed 5% of the issued and outstanding securities of the same class as those owned or acquired (nor shall it exceed a market value of \$100,000 unless prior approval is so obtained).
- Diverting to oneself any business opportunity in which Republic is or may be interested, or participating in any business opportunity with knowledge of the fact that such business opportunity has been or will be submitted to Republic, unless the employee first makes full disclosure of the business opportunity to Republic and is informed in writing that Republic has no interest. Investment and dealings prohibited to Republic employees should be avoided by all members of each employee's family as well as friends and business associates who may act on information or advice from the employee. Such family members include the employee's spouse, children and their spouses, brothers and sisters and their spouses, parents and parents-in-law.



Corporate Opportunities

Employees are prohibited from taking for themselves personally opportunities that are discovered through the use of Company property, information or position without the consent of the Company's Board of Directors. Employees owe a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises, and are prohibited from competing against the Company. No employee may use Company property, information or position for improper personal gain.

Fair Dealings in Supplier and Other Relationships

The Company selects its suppliers in a fair, equitable and nondiscriminatory manner based upon appropriate criteria such as quality, price, service, delivery, financial strength, capabilities, terms and similar competitive factors. Many employees are involved in purchasing activities even though not part of the Company's purchasing function. In all instances when you are involved in the purchasing process, you must be fair and objective and never base your decisions on personal interest. Employees should endeavor to deal fairly with the Company's customers, suppliers, employees and competitors, and to not take unfair advantage whether through improper manipulation, concealment, abuse of privileged information, misrepresentation of material facts or through some other unfair dealing practice.

Use of Corporate Property and Assets

All of Republic's facilities are dedicated to the business purposes of Republic and are not available for personal use, except as expressly authorized by the President and Chief Executive Officer or his designee.

No employee, during or after termination of employment, may use or release to others for his or her own direct or indirect personal benefit any assets of Republic (including data, plans, decisions, or any confidential information), unless special permission for such use or release has been granted by the corporate officer having direct responsibility for such assets.

Confidential and Proprietary Information

Company employees are required to protect the Company's confidential and proprietary information, and act responsibly with the sensitive information of customers and other



stakeholders. Company "Confidential Information" means trade secrets, proprietary information, and confidential knowledge and information which includes, but is not limited to, matters of a technical nature (such as discoveries, ideas, concepts, designs, drawings, specifications, techniques, models, diagrams, test data, scientific methods and know-how), and matters of a business nature (such as the identity of customers and prospective customers, the nature of work being done for or discussed with customers or prospective customers, suppliers, marketing techniques and materials, marketing and development plans, pricing or pricing policies, financial information, plans for further development), and any other information of a similar nature not available to the public. Confidential Information must be controlled and protected to prevent arbitrary and careless disclosure. You may not, either during or after your employment with the Company, without the prior written approval of the Company, directly or indirectly (a) reveal, report, publish, disclose or transfer any Confidential Information to any persons outside the Company, including family members, or (b) use any Confidential Information for personal purposes or for the benefit of persons outside the Company, except as may be necessary in the performance of your work for the Company. Confidential Information should only be shared with other Company employees or representatives who have a "need to know" such information in the performance of their work for the Company. You should take adequate care to ensure that confidential and proprietary information is not misused. Employees must not transfer outside the Company confidential electronic mail messages or any message intended for internal use. Company Confidential Information should not be sent over the Internet without proper security measures in place.

Confidential Information does not include any information which (i) was publicly known or made generally available to the public prior to the time of disclosure by Company; (ii) becomes publicly known or made generally available to the public through no improper action by you; (iii) is in your possession prior to the time of disclosure by Company as shown by your documents or other competent evidence; (iv) is obtained by you from a third party without a breach of such third party's obligations of confidentiality; or (v) is independently developed by you without use of or reference to Confidential Information, as shown by documents or other competent evidence in your possession.

Intellectual Property Assignment

You shall promptly, from time to time, fully inform and disclose to the Company in writing all inventions, copyrightable material, designs, improvements and discoveries of any kind which you have made, conceived or developed, or which you may later make, conceive or develop, during the period of your employment with the Company, which pertain to or relate to the Company's business or any of the work or businesses carried



on by the Company ("Inventions"). This covenant applies to all such Inventions, whether or not they are eligible for patent, copyright, trademark, trade secret or other legal protection; and whether or not they are conceived and/or developed by you alone or with others; and whether or not they are conceived and/or developed during regular working hours; and whether or not they are conceived or developed at the Company's facility.

You agree that all Inventions will be the sole and exclusive property of the Company, and will be deemed part of the Confidential Information of the Company, whether or not fixed in a tangible medium of expression. You hereby assign all of your rights in all Inventions and in all related patents, copyrights and trademarks, trade secrets and other proprietary rights therein to the Company. Without limiting the foregoing, you agree that any copyrightable material will be deemed to be "works made for hire" and that the Company will be deemed the author of such works under the United States Copyright Act, provided that in the event and to the extent such works are determined not to constitute "works made for hire," you hereby irrevocably assign and transfer to the Company all right, title and interest in such works.

You agree to assist and cooperate with the Company, both during and after the period of your employment with the Company, at the Company's sole expense, to allow the Company to obtain, maintain and enforce patent, copyright, trademark, trade secret and other legal protection for the Inventions. You agree to sign such documents and do such things necessary to obtain such protection and to vest the Company with full and exclusive title in all Inventions against infringement by others.

You will not be entitled to any additional compensation for any Inventions made during the period of your employment with the Company.

Record Retention

Each employee should preserve and maintain all business records in accordance with applicable Company records retention policies. Records should be maintained and destroyed according to these policies. Records should not be improperly altered. In no case may documents involved in a pending or threatened litigation, governmental inquiry or under subpoena or other information request be discarded or destroyed, regardless of the periods specified in the Company's record retention policies.

Electronic Information

Company data transmitted and/or stored electronically are assets requiring unique protection. Each employee throughout the Company is responsible for compliance with Company policies related to electronic information security. It is a violation of this Policy to access sexually-oriented and other inappropriate material using Company assets. Inappropriate use of Company electronic communication resources, regardless of the medium, is prohibited. Isolated accidental access to inappropriate material does not constitute misconduct.

Privacy and Personal Information

Employees of the Company are expected to comply with all applicable privacy and data collection laws and regulations. Employees should operate in a way that ensures the safeguarding of individually-identifiable personal information, including medical and financial information, collected and used to conduct business operations and to carry out personnel administration.

Foreign Sales Transactions

Just as we must adhere to domestic law in our business conduct, so too must we fully comply with both the spirit and letter of the law of foreign countries in which we do business. Additionally, in the transaction of our business overseas, we must faithfully follow the highest standards of ethical behavior. Accordingly, the following procedures are to be followed in connection with all foreign sales transactions:

- All discussions and negotiations with any consultant, agent or other representative in connection with foreign sales transactions shall make it clear from the outset that Republic does not and will not condone any illegal or unethical activities.
- Every arrangement or agreement relating to the engagement of any consultant, agent or other representative for foreign sales transactions shall be coordinated with and cleared in advance after consultation with counsel.
- Every written agreement shall contain an affirmative representation that all pertinent laws and regulations of the country and countries involved, including particularly the Foreign Corrupt Practices Act of 1977, have been and will be complied with fully.



- All agreements, which provide for payment to the consultant, agent, or other representative on a commission or percentage basis, shall be submitted in advance to the applicable Vice President for approval.
- No commission is authorized absent the prior approval of the retention of the representative by the applicable Vice President after consultation with counsel.
- Agents will not be permitted to make payments on behalf of, or otherwise have custody of funds or assets of Republic unless the transaction is documented and controlled in such a manner that Republic is at all times in a position to assure itself of full accountability for all assets and expenditures.
- All payments to agents must be made by Republic check made payable to the agent and forwarded to the agent at the agent's usual place of business. No "accommodation" payments may be made at an agent's request to third persons or to numbered bank accounts.

Inside Information and Insider Trading

Although Republic is presently not a public company, the securities of its owners are publicly traded in the United States and Mexico. Therefore, until released to the public by authorized personnel, information regarding Republic's business or the businesses of its owners is considered "inside" information, and therefore confidential. For any person to use such information for his or her own benefit or to disclose it to others except those within Republic or its outside advisors whose positions require use of the information violates our policies and best interests. Depending upon the nature of the information and its use, disclosure or misuse may also be a violation of the law.

Republic's policy in this regard is reflected more fully in a related Policy Statement on Securities Trading and Communications with Outsiders (the "Securities Trading Policy"), which should be viewed as a part of this Business Conduct Policy, subject to the same sources of guidance, reporting obligations and potential sanctions for violation. Compliance with the Securities Trading Policy is also covered by the same Acknowledgement which new employees are required to provide and which existing employees provide periodically.



Political Contributions

Federal statutes prohibit a corporation from making a contribution or expenditure in connection with any election at which Presidential or Vice Presidential electors or a Senator or Representative to Congress is to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any such office.

In addition, many states and foreign countries have similar laws prohibiting corporate political contributions in connection with any election relating to public office and, in some instances, in connection with ballot propositions. It is of particular importance to note that state laws governing these matters have changed considerably over the past few years and may be subject to additional changes in the future. It thus cannot be assumed that a contribution, which was legal in the past under the laws of a given state, is still legal.

For these reasons, no direct or indirect political contribution, at a local level or otherwise, shall be made out of any fund or account of Republic, whether directly, by reimbursement or otherwise, without the express prior approval of the Corporate Human Resources Department. No political contribution of any kind shall be made in violation of any applicable law or regulation.

Contributions subject to these policies include all direct or indirect contributions made to any political candidate, political party or other organization which might use such contributions in connection with a Federal, state, local or foreign election, including the support of or opposition to any ballot proposition to be decided by the voters. Purchase of dinner tickets to political events and purchase of an advertisement for Republic in a political dinner program are contributions subject to the rule. Indirect contributions subject to the rule include payments made in any form or through any means, such as by supplying products or services (including employee time) to candidates, mailing solicitations or giving assistance through consultants, suppliers, customers or other third parties, or by reimbursement to employees for personal contributions or payments.

Nothing in this Policy shall be deemed to prohibit an employee from engaging in political activities in an individual capacity on his or her own time and at his or her own expense or from making political contributions or expenditures of his or her own personal funds. Indeed, Republic encourages its employees to participate fully in the political process and, if Republic establishes a political action committee (PAC), all eligible employees will be urged to contribute to the PAC.



Accurate Books and Accounts

Applicable laws require that all transactions be accurately and promptly recorded in Republic's books, and that no false, misleading, artificial, or fictitious entries shall be made thereto. To assure compliance, supporting documentation and records, such as invoices, check requests, travel expense reports, etc., for all transactions must fairly and fully describe the actual purpose and amount of transactions.

No secret or unrecorded fund of Republic cash or other assets shall be established or maintained for any purpose. Personnel will exercise care to assure that costs and expenses are charged to the proper contract and/or account. Complete and accurate information shall at all times be given by all employees in response to inquiries from Republic's auditors.

Compliance With the Antitrust Laws

Both the letter and the spirit of antitrust laws shall be observed. The antitrust laws and regulations shall be observed at all times, in all situations, by all employees of Republic. Among other things, price-fixing or bid-rigging acts or arrangements with competitors to divide or allocate markets or customers or exclude others from the market are absolutely prohibited.

While it is not expected that every employee, or every member of management, will be fully versed in the law affecting his responsibilities, it is expected that employees whose activities are significantly affected by the antitrust laws will have a working knowledge of permissible activities involved in their work and will consult with their superiors and Republic's counsel through appropriate channels, concerning any matter on which there is any question.

Business Solicitation

Republic expects its employees to vigorously pursue new and ongoing business. However, offers of financial inducement to any employee of an existing or potential customer or supplier for the specific purpose of obtaining business or preferential treatment in the awarding of business are forbidden. Specifically, employees shall not make gifts to or entertain persons or firms doing business with Republic in a fashion that exceeds customary courtesies extended in accordance with accepted ethical business practices or that violate the internal policies of those persons or firms.



Entertainment and Gifts

Employees shall not solicit or accept salaries, fees, loans, commissions or other types of compensation, rebate or reward from suppliers, customers, consultants or any other persons or firms doing business with Republic.

Employees shall not accept gifts, transportation, entertainment or other non-monetary favors or gratuities from persons or firms doing business with Republic that are of more than nominal value or that exceed customary courtesies extended in accordance with accepted ethical business practices.

Items used by suppliers or customers for normal sales promotion or advertising having a value of less than fifty dollars (\$50) will not be considered a gift or personal inducement. Care must be exercised by all employees who are likely to be recipients of entertainment, gifts or other gratuities such that a continuation of these considerations, even though of nominal value, does not create a situation where there is a perceived obligation.

Invoicing and Payment

All invoices to customers and others must accurately reflect the products sold or services rendered and the true sales price and terms of sale. Payments received in excess of amounts invoiced shall either be rejected or promptly refunded.

Unless the propriety of a different procedure is confirmed in writing by the Chief Financial Officer, payments which are due shall be made directly to Republic's customers, representatives, consultants, or suppliers in the country where they earned the payment, in the principal country where they normally conduct business, or in the United States, and in strict accordance with the terms of the agreement between the parties.

Government Officials

Unlawful payments to United States (Federal, state or local) or to foreign government officials or employees can result in severe consequences for Republic and for employees involved in the payments. In general, any direct or indirect payment, including entertainment or gifts, that is intended to influence the judgment of the recipient in exercising his or her duties or to secure preferential treatment, is unlawful under United



States law. There is a similar prohibition of such payments made to foreign government officials and employees and to foreign political parties and candidates for elective office. Even where no preferential treatment is given, United States law prohibits payment to or receipt by a United States Government employee of any payment for performing an official act or of any additional compensation beyond the government salary of the employee. Most foreign nations and state and local governments have similar laws or regulations. In addition, many Government agencies have their own codes concerning what business meals or business gifts, if any, may be received by their employees. These laws and codes should be rigidly observed by Republic employees.

Senior Financial Officers

The Company's President and Chief Executive Officer, Chief Financial Officer and principal accounting officer or Controller, and such other principal financial or accounting officers or persons performing similar functions as may from time to time be identified by the Board of Directors (the "Senior Financial Officers") occupy important roles in the corporate governance of the Company and are vested with both the responsibility and authority to act in the best interests of the Company and, to the extent otherwise required by applicable law, its various constituencies, including shareholders, debt holders, clients, employees and citizens of the communities in which the Company's business is conducted. Accordingly, the purposes of this portion of the Business Conduct Policy are to promote honest and ethical conduct and compliance with the law by the Senior Financial Officers.

The Senior Financial Officers are expected to carry out their responsibilities honestly and with integrity, exercising their reasonable good faith, independent business judgment consistently with their fiduciary duties of care and loyalty under applicable state law.

The Senior Financial Officers should avoid, to the extent reasonably possible, situations in which their own interests conflict or may appear to conflict directly or indirectly with the interests of the Company. In any case in which a Senior Financial Officer reasonably believes he or she may have an actual or apparent material conflict of interest, the officer should conduct himself or herself consistently with applicable state fiduciary duty obligations, including by promptly disclosing all relevant details to the Board of Directors. The Board will investigate to the extent deemed reasonably necessary, and determine, with or without the assistance of a qualified independent third party advisor or advisors, whether a material actual or apparent conflict of interest between the Senior Financial Officer's personal and professional relationships exists, and if so, how the conflict should



be addressed consistently with applicable state fiduciary duty obligations and other considerations deemed relevant by the Board.

The Senior Financial Officers are responsible for assuring full, fair, accurate, timely and understandable disclosure of relevant financial information to shareholders and, to the extent otherwise required by applicable law, other constituencies. In particular, as set forth more fully below, they are responsible for establishing controls and procedures to help assure that the Company's public filings comply with SEC rules governing the disclosure of financial and other information, and that Company press releases and other public communications are materially accurate and timely. In fulfilling this responsibility, among other things, each Senior Financial Officer should, with or without the assistance of a qualified independent third party advisor or advisors:

- help establish and maintain, through appropriate modifications as warranted, disclosure controls and procedures and internal disclosure controls and procedures reasonably designed to assure that material financial and other information is recorded, processed and transmitted to those responsible for preparing periodic reports and other public communications so that such reports and communications are materially accurate and timely;
- based on his or her knowledge, review each periodic report for material accuracy and completeness, and to see that any financial statements and other financial information included in the report fairly presents in all material respects the financial condition, results of operations and cash flows of the Company as of and for the periods presented, before it is filed with the SEC;
- periodically help evaluate the Company's disclosure controls and procedures and internal controls and procedures, and disclose to the Board and to the Company's independent auditors any material weaknesses in the Company's internal controls or significant deficiencies in the design or operation of the Company's internal controls and procedures which could adversely affect the Company's ability to record, process, summarize and report financial data, and any fraud involving an employee with a significant role in the Company's internal controls;
- otherwise comply in all material respects with other disclosure and financial accounting-related responsibilities imposed on such Senior Financial Officer by applicable federal, state and foreign securities laws, as the same may be amended from time to time; and



- comply in all material respects with other applicable law, including but not limited to prohibitions on improperly influencing the conduct of an audit; retaliating against whistle-blowers; obstructing justice; knowingly executing or attempting to execute a scheme or artifice to defraud investors; other securities fraud; mail fraud; wire fraud; certifying materially false SEC reports; and conspiring to commit any of the above offenses, in each case as provided in the Sarbanes-Oxley Act of 2002 and federal criminal law.



Securities Trading and Disclosure

The Company is committed to full, fair and consistent disclosure to investors in compliance with all applicable securities laws. Our corporate policy, reflecting current legal requirements, is that our employees and board members will not make any disclosure of material nonpublic information about the Company or its affiliated companies, including Industrias CH, S.A. de C.V. and Grupo Simec, S.A. de C.V. (together with the Company, the "Companies"), to anyone outside the Companies (other than to persons who first are obliged in writing or otherwise to maintain confidentiality, as discussed below), unless such information is disclosed to the public prior to such disclosure or at the same time.

This is a highly technical area with important consequences for the Company. If you believe that a disclosure of material nonpublic information about any of the Companies may have occurred or have questions regarding the application of this policy, immediately notify Corporate Human Resources.

Here are examples of areas affected by this policy:

- Quarterly earnings releases
- Responding to market rumors
- Contacts with media representatives or financial analysts covering any of the Companies
- Reviewing analyst reports and similar materials
- Referring to or distributing analyst reports on any of the Companies
- Analyst, investor, or media representative visits
- Postings on our website
- Speeches, interviews and conferences

This policy covers all disclosures to people other than to our fellow employees and those who otherwise have an obligation to keep the information confidential, as provided below, including those who might be expected to trade in our securities, including our stockholders and other security holders, securities brokers and dealers, financial analysts, financial institutions and media representatives. There are also certain people who are required by professional responsibility or by contract to keep our



information confidential. These include our attorneys, our accountants, our investment bankers, and people or entities that are subject to nondisclosure agreements with us. If you are in doubt as to whether someone falls within this category, you should contact Corporate Human Resources for guidance.

What is Material Nonpublic Information?

Information is “material” if a reasonable investor would consider it significant in a decision to buy, hold or sell securities. Put another way, information that could reasonably be expected to affect the price of a security, either positively or negatively, is material.

Common examples of information that will frequently be regarded as material are information relating to:

- earnings or losses that are higher or lower than generally expected by the investment community;
- a pending or proposed merger, acquisition or sale of part of any of the Companies businesses;
- impending securities offerings by any of the Companies;
- changes in management;
- new products or discoveries;
- negotiations regarding an important license or joint venture;
- changes in dividend policy or a proposed stock split or stock dividend; and
- impending financial or liquidity problems.

Other types of information may also be material; no complete list can be given.

Information is “nonpublic” or “inside information” until it has been made available to investors generally and, with respect to insider trading, the market has had time to digest it.



Designation of Authorized Spokespersons

All calls concerning the Company from investors, financial analysts, rating agencies, the financial press or other media ("Financial Inquiries") are to be referred to the following authorized spokespersons:

- the Chief Executive Officer;
- the Chief Financial Officer;
- the Managing Director, HR; and
- other people who may be designated in writing as spokespersons for the Company by any of the above individuals.

Duties of Management

As a general matter, management of the Company has the responsibility to determine the content, form and timing of public disclosure, consistent with our legal responsibilities and with the best interests of the Company.

Duties of Employees

When hired, employees of the Company are instructed to refer any Financial Inquiries to the above-authorized spokespersons and are prohibited from discussing material nonpublic information about any of the Companies in violation of this policy. If you receive a request from someone outside the Companies for material nonpublic information (for example, seeking guidance about our quarterly results, or asking for confirmation of a rumor), you should not respond. If you believe a response may be needed, ask for the person's name and number and immediately contact the Chief Financial Officer.

Guidance

The Companies disseminate general guidance about expected sales growth and operating expenses during the quarterly earnings conference calls and otherwise as described in this policy. We are committed to maintaining realistic investor expectations in providing such guidance.

Record-Keeping

We maintain binders containing all press releases, public filings, news stories and analysts' reports relating to the Companies, and monitor those binders periodically, to ensure that public perceptions of the Companies conform to reality. At a minimum, in preparing quarterly or annual reports and MD&A disclosures, we evaluate prior disclosures. Where circumstances have changed with the passage of time, or prior statements may have been rendered materially inaccurate due to intervening developments, the need to correct or update the prior disclosure should be carefully considered.

Responding to Analysts' Projections

We always speak in terms of our most recent business update. The most risk-adverse approach, legally speaking, is to decline all comment on earnings estimates, but this approach is not realistic because we provide detailed guidance during our quarterly earnings release conference calls and otherwise as described in this policy. We do not specifically endorse external estimates and under no condition will we comment on a particular earnings estimate. We also:

- Do not allow analysts to attribute statements to named corporate sources.
- Do not edit, review or republish an analyst's report.
- Do not otherwise expressly or implicitly adopt, approve, ratify or endorse the content of an analyst's report.
- Consider responding to an erroneous analyst's report which may create Company liability by making corrective disclosure.



Reviewing Analysts' Reports

If we review analyst reports, we correct/update only factual assumptions underlying analysts' projections which assumptions are materially inaccurate. We do not endorse analyst conclusions, particularly earnings forecasts, financial projections or recommendations. We do not confirm or deny any of the reports' statements regarding future predictions or projections nor do we confirm the accuracy of the earnings models. Furthermore, we do not mail any research reports at the request of individuals nor do we include them in our investor relations packages.

Commenting on Rumors

Whether or not a rumor has any basis in fact, we normally will respond through one of our authorized spokespersons by saying, in essence: "Our policy is not to comment on rumors or speculation." Like most companies, we follow this approach consistently in order to avoid providing an implied confirmation or denial in other circumstances. Any exceptions to this policy must be approved by Corporate Human Resources. However, our policy is to promptly disclose material corporate developments, including those that would render a prior disclosure materially inaccurate.

Pre-clearing Speeches and Other Public Presentations

All proposed disclosures of material nonpublic information about any of the Companies, or participation in speeches, interviews or conferences where persons covered by this policy may be in attendance, must be reviewed and approved by Corporate Human Resources. Spokespersons should adhere to the script and not disclose any material nonpublic information about any of the Companies during any "break out" or question-and-answer sessions.

Conference Calls

Quarterly conference calls may be held in conjunction with quarterly earnings releases, after each earnings release is issued. Any such calls are open to all investors by phone as well as live webcast, and a playback may be made available from a 1-800 number for a period of time after the call. Additionally, an archived webcast may be available for a period of time after the call.



Investor Conferences, Analyst and Stockholder Meetings

All investor conference presentations, analyst meetings and stockholder meetings are webcast live. The Companies will not participate in investor conferences where Company presentations and breakout sessions are not webcast.

Visitors from the Financial Community

On occasion, members of the financial community may be invited into a Company facility. All engagements involving the financial community are to be arranged through the Chief Financial Officer, and none of these are to occur during a Quiet Period, as defined below, prior to any scheduled earnings release date.

Quiet Periods

We generally do not discuss any new information related to the current quarter's performance with investors following our business update until the issuance of the quarter end earnings release. This policy helps ensure that we do not selectively disclose material nonpublic information. The objective of the quiet period is to minimize the potential for misinterpretation and the spread of rumors prior to our earnings announcements.

Selective Disclosure

We are extremely sensitive to the issues of selective disclosure and our aim is to treat all investors fairly and equally. We believe our conference call and guidance policies help to prevent selective disclosure of material nonpublic information.

Use of Meaningful Cautionary Statements

Forward-looking information should be disclosed only if there is adequate contemporaneous documentation of our good faith and the reasonable basis for such information. The principal assumptions underlying the forward-looking information should be summarized with the information, as should any specifically-identifiable risks that the anticipated results may not materialize. Forward-looking statements should be labeled as such and should be accompanied by "meaningful cautionary statements" identifying important factors which could cause actual results to differ materially. We use appropriate meaningful cautionary statements with respect to forward-looking



statements, including those about our anticipated financial performance, at the beginning of our quarterly conference calls with the investment community and whenever we communicate with analysts or investors. Meaningful cautionary statements are also incorporated in all our written investor relations documents and other appropriate public disclosure.

On-line Chat Rooms

While we may monitor what others are saying about the Companies on several chat rooms located on the internet, we do not respond to rumors or correct any inaccuracies that might appear. The Company prohibits employees from discussing business information that belongs to the Company on internet chat rooms during working hours and from using Company computer systems for such purposes. Employees need to know that unless they are authorized spokespersons for the Company, their discussion in any forum, including internet chat rooms, can have a detrimental impact on the Company. Employee participation in chat rooms may compromise sensitive Company information and violates this policy.

Insider Trading and Tipping

The Company prohibits any employee, officer or director of the Company or any consultant to the Company (1) from buying or selling common stock or other securities of any of the Companies while aware of material nonpublic information relating to any of the Companies or (2) from communicating such material nonpublic information to someone else who then acts on it by buying or selling any of the Companies' securities.

This policy also applies to material nonpublic information about any other company with whom the Company is negotiating or does business. You may not trade in the securities of any company on the basis of such information, nor may you communicate information about any such company to others.

Furthermore, the same restrictions apply to family members and others living in your household who gain access to or become aware of material nonpublic information. You are also responsible for their compliance.

As a general rule, if you know of material nonpublic information about any of the Companies, you should not engage in any trading in any of the Companies' securities until forty-eight hours after the information is publicly announced. If the information relates to Company financial performance, you should wait until forty-eight hours after the issuance of a quarterly earnings release (the "earnings dissemination time"). An



exception to this rule is trading in compliance with SEC Rule 10b5-1 pursuant to a contract, instruction or plan previously established at a time when you were not aware of material nonpublic information (a "10b5-1 plan"). Any 10b5-1 plan should be approved by the Managing Director, HR before it is final.

Directors, executive officers and certain employees of the Company are subject to special restrictions. It is a violation of Company policy for a director, executive officer or certain employees with access to material nonpublic information (to be determined by the Company from time to time) to engage in any trading in the Company's securities during a "blackout period" that covers the last two weeks of the month ending each calendar quarter and the period from the end of that quarter until the earnings dissemination time. Exceptions, other than trading pursuant to an approved 10b5-1 plan, may only be made with the prior approval of Corporate Human Resources.

Directors and executive officers are also required to pre-clear with Corporate Human Resources any proposed changes in their beneficial ownership of Company securities.

There is no exception to this policy for transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure).

Unauthorized Disclosure of Material Nonpublic Information

If an employee believes that material nonpublic information may have been disclosed in violation of this policy, such employee must immediately contact the Managing Director, Human Resources. In certain circumstances, steps to protect the Company and the employee may still be available. Applicable laws give the Company a short period, generally 24 hours, after discovery of an inadvertent selective disclosure of material nonpublic information to disclose such information to the public.

Why should these issues concern me?

As a Company employee, you are expected to comply with all Company policies. The Company may be subject to SEC enforcement actions alleging violations of the federal securities laws if this policy is violated. The SEC could, among other things, bring an administrative action against the Company seeking a cease-and-desist order, or a civil action seeking an injunction and/or civil money penalties. In certain cases, the SEC could also bring an enforcement action against an individual at the Company responsible for the violation.



ACKNOWLEDGMENT

I hereby certify that I agree to support the Company's business with integrity and honesty and in accordance with the highest standards of legal and ethical conduct. I have received a copy of the Republic Steel Business Conduct Policy and have read it and understand that I am responsible for my actions as discussed in the Policy. To the best of my knowledge and belief, neither I nor any other employee in the Company has engaged in or had knowledge of any activity which is inconsistent with the Business Conduct Policy except as previously reported or as indicated below or on an attachment hereto. I understand that I have an ongoing responsibility to report any known or suspected violations of the Policy to my supervisor, Human Resources representative, Company Ethics Officer or the Ethics Hotline.

By signing below, I hereby agree to comply with and to conduct business in accordance with the Republic Steel Business Conduct Policy, as such policy may be amended from time to time by the Company. I understand that my failure to do so may result in disciplinary action, up to and including dismissal and that the Company reserves the right to take such action as it may deem appropriate or necessary to enforce the provisions of this Business Conduct Policy.

Check one of the following categories:

- Renewed Acknowledgment
- New Employee

Print Employee Name _____

Business Telephone Number _____

Business Unit Name _____

Business Address _____

City, State or Country, Zip Code of Postal Code _____

Employee Signature

Date

Comments: _____
