

Aperam Corporate Policy

Anti-Fraud Policy

Approved by Audit & Risk Management Committee on 25 July 2011

Document Information

Short Description: This policy applies to any irregularity involving Aperam employees and, subject to contractual relations, might involve stakeholders, consultants, vendors, contractors, outside agencies and any other parties having a business relationship with the Aperam group. This policy should be read in conjunction with any Aperam Code of Business Conduct, the principles of which should fully be supported herein.

Scope: Relevant to all Aperam employees subsidiaries worldwide.

1. Introduction

Our **Aperam Group** is committed to prevent fraud and corruption from occurring and to develop an anti-fraud culture. Incidents of fraud, corruption, misappropriation or deliberate misconducts will not be tolerated in our Aperam group and will be pursued in a consistent manner.

This policy applies to any irregularity involving Aperam employees and, subject to contractual relations, might involve stakeholders, consultants, vendors, contractors, outside agencies and any other parties having a business relationship with the Aperam group. This policy should be read in conjunction with any Aperam Code of Business Conduct, the principles of which should fully be supported herein.

2. Definition of fraud

Fraud is hereby understood as an intentional deception, misappropriation of resources or manipulation of data to the advantage or disadvantage of a person or entity including any act of corruption. Acts of fraud include but are not limited to the following:

- Fraudulent reporting of financial or non-financial information;
- Intentional misrepresentation or concealment of Aperam group information;
- Theft or embezzlement of Aperam group money or property, including intellectual property;
- Corruption of officials, commercial bribery and favoritism of a business partner;
- Conflict of interests by using one's position to influence a decision in return for a personal benefit;
- Over-invoicing or payment of fictitious expenses;
- Deliberately violating National or Local laws;
- Any willful act or failure to act with the intention of obtaining an unauthorized benefit.

3. Duties

Employees together with the management of the Aperam group are expected to be vigilant and to play an active part in the anti-fraud activity.

Any employee who has a reasonable basis for believing that fraudulent or corrupt acts have occurred has a duty to refer them with respect to the applicable data protection regulations to any of the following:

- The employee's immediate supervisor or higher level of management and/or
- The Head of Combined Assurance department.
- Aperam whistle-blowing systems or local hotlines available when compatible with local laws and regulations.

Anyone who report suspected or unknown fraudulent events or other inappropriate activities will be protected from retaliatory action by the Aperam Group.

The process of reporting fraud proposed in the present Policy is used in addition to other means such as, for example, reports from employees to worker representatives, managers or factory inspectors.

Managers support the Aperam Group against fraud. They are responsible for the prevention and detection of fraud:

- by ensuring that an adequate system of internal control exists and operates effectively within their area of responsibility and,
 - by referring all allegations or suspicions of fraud to the Head of Combined Assurance.
- They should be alerted for any indication of irregularity within his/her area of responsibility.

The Combined Assurance Forensic department is responsible for the inquiry of all suspected fraudulent acts. Inquiries will be carried out confidentially and independently of the line management for the area in which the fraud has occurred or is suspected. Any required investigative activity will be conducted without regard to the suspected wrongdoer's length of service, position/title or relationship to the Aperam group.

4. Investigation and subsequent actions

With respect to the internal, local and national applicable rules, members of the Combined Assurance Forensic function will have free and unrestricted access to all company records and premises and the authority to examine, copy, remove all or any portion of the contents of files, desks and other storage facilities on the premises within the scope of their investigation.

The Combined Assurance Forensic department will treat all information received confidentially and will protect the reputation of all concerned in strict compliance with any applicable personal data protection rules, by restricting access to all information related to the allegation.

If an inquiry determines that it is reasonably certain that fraudulent activities have occurred, the Combined Assurance Forensic function will issue a report to the designated level of management and with strict respect to personal data protection rules, and if appropriate, to the Legal department, the Management Committee and to the Aperam Audit & Risk Management Committee.

Decisions to prosecute or refer the examination results in the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with Legal department and senior management, as will final decisions on disposition of the case.

If necessary, Aperam will make all evidence collected during the course of an investigation available to legal and law enforcement agencies and will pursue the prosecution of all parties involved in criminal activities.

Appropriate actions will be taken to recover assets lost as a result of fraud or dishonest activities. Any deficiencies in internal controls that contributed to the fraudulent activities will be remedied.

In all cases where the evidence is sufficient to warrant disciplinary action, such action will be taken in compliance with all applicable laws.