Aperam Antitrust Compliance Policy

Approved by the LT on 18 November 2024

Short Description

Aperam is committed to strictly observe the competition laws of the countries in which it does business and to avoid any conduct that could be considered illegal.

Scope

This policy applies to all employees of Aperam and its subsidiaries, including the management and directors of Aperam, and Aperam's stakeholders when relevant.

Index

1. Introduction

Competition law is a system of rules aimed at ensuring that markets work effectively and businesses compete fairly.

This policy aims at helping you (i) to understand the Antitrust rules and (ii) to identify potential issues, in order for you to comply with laws while carrying out business. Each section of this policy describes conducts that may violate competition law and provide guidelines you should follow in your everyday business practices to prevent or reduce competition law risk for you and Aperam.

This document focuses on two main concepts: (a) prohibition of anti-competitive agreements and (b) abuse of a dominant position. It also provides a set of best practices with regards to competitively sensitive information.

Aperam is committed to competing vigorously but fairly and to complying with all competition laws in all of the countries in which it is active. **Specifically, it is Aperam's policy to make its own commercial decisions on the basis of what is in the best interests of the company, completely independent and free from any understandings or agreements with any competitor and in observance of competition laws.**

An agreement or arrangement will infringe competition law if it prevents, restricts or distorts competition. Agreements between two or more competitors most commonly raise the most significant competition law risks, but agreements with suppliers, distributors or customers may also breach competition laws. Equally, arrangements between parties to a joint venture or research and development agreement, and between Aperam and companies in which Aperam holds minority participations, can also distort competition and raise antitrust law issues.

Violating European, US and/or national competition law may result in significant criminal and civil penalties for Aperam and individuals alike, including prison terms for individuals and could also seriously damage Aperam's reputation. On some occasions, multiple jurisdictions can be involved.

It is the responsibility of each and every manager, officer and employee of Aperam to understand these rules, and to seek help from the Legal & Governance Team if and when there is any question or doubt as to what the rules are, or how they are applied in a given situation. No manager, office manager, officer or employee, whatever his/her position, is authorized to depart from Aperam's policy or to condone a departure by anyone else. Strict compliance with this policy is expected and it should be understood that Aperam shall take appropriate disciplinary action with respect to anyone who violates it.

Whenever you have any doubt about whether a practice is competition law compliant, you should consult the Legal & Governance Team.[1]

2. Horizontal agreements- Cartels and Dealings with competitors

2.1 Principle & Definitions

Principle: Agreements between competitors that are by their nature anti competitive are forbidden.

Agreements, arrangements and understandings are defined very broadly, and covers not only formal written contracts but also oral agreements, "gentlemen's agreements", informal arrangements and "Understandings" between parties where the parties do not reach agreement on every element of the arrangement. Decisions of associations (e.g. trade associations) also fall under this definition. In some cases, even a single exchange of competitively sensitive information can be prohibited.

Cartel is an agreement among competitors to reduce or eliminate competition. This includes but is not limited to any agreement with competitors to share or allocate markets, territories or customers.

Competitor is a company which offers products or services that compete with those: (a) which form part of the Aperam's current portfolio; or (b) which the company would be able to bring to market in a

[1] Please note that this policy does not deal with the specific rules applicable to mergers & acquisitions, joint ventures, IP licensing or State aid. Consequently, the Legal & Governance Team should be contacted for all questions relating to such matters.

reasonably short time frame in competition with Aperam's portfolio, or (c) which Aperam would be able to bring to market in a reasonably short time frame in a given geographic market (which can be local, national, regional or worldwide, depending on the type of products/services). Lastly, please note that customers and suppliers of Aperam may also be competitors.

Competitively sensitive information (CSI): is information that is likely to influence the strategy of competitors. The key test is whether the information provided "reduces strategic uncertainty" as this could result in commercial rivalry being reduced or eliminated. Examples of competitively sensitive information include:

- Current customer/ supplier or price lists; proposed prices, price changes, and pricing initiatives (e.g. discounts, credit terms etc);
- Input costs or current production figures; margins and costs;
- Inventory or sales levels; current market shares or sales revenue;
- Capacity figures; current and proposed investments; Individual output figures;
- Information R&D programmes or technologies.

See Annex 1 for a list of examples of competitively sensitive information.

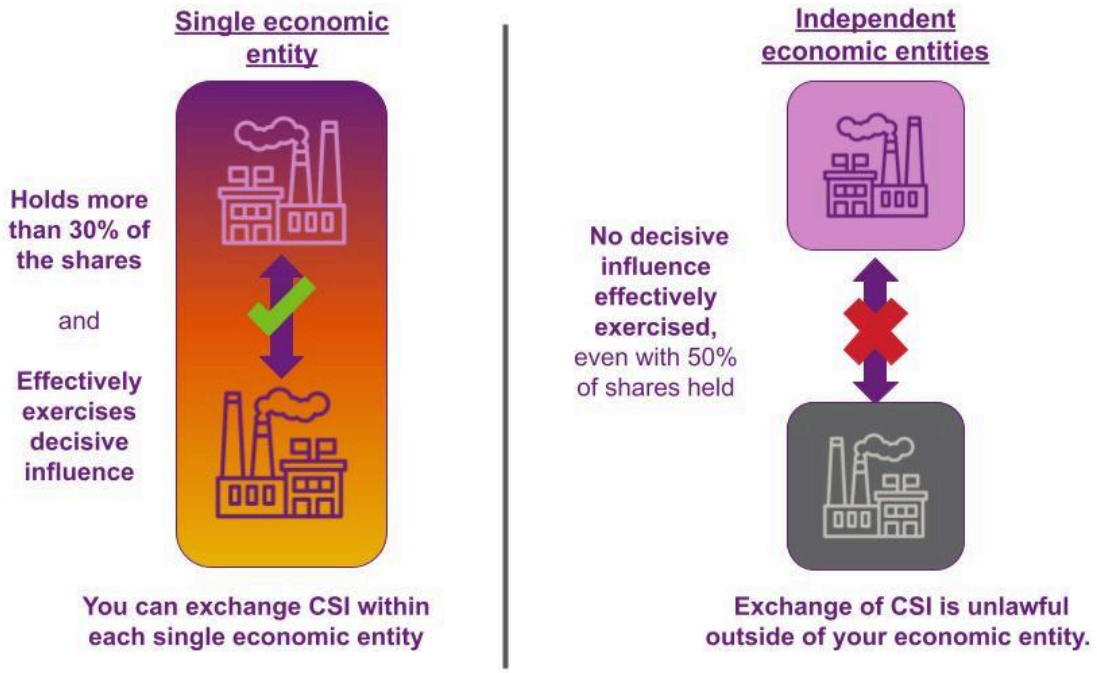
Single Economic entity: A subsidiary or affiliated company forms a single economic entity with its parent company if the latter exerts decisive influence (i.e., the parent company can determine the commercial strategy of the subsidiary by deciding or vetoing decisions on key commercial topics such as pricing, margins, marketing) over the former.

This generally occurs when:

(i) a parent company owns 100% (or approx.) of the subsidiary's shares or voting rights; or

(ii) a parent company owns at least 50% of these shares and exerts decisive influence on the subsidiary's commercial strategy (e.g., pricing or margins); or

(iii) in some circumstances, a parent company owns even less than 50% and exerts decisive influence on the subsidiary's commercial strategy particularly through use of veto rights over the subsidiary's business plan, investments, appointment of senior management and budget.



Factory icon designed by Freepik

For example

A. Aperam Stainless Services and Solutions Brazil is **directly** fully owned by Aperam South America (Brazil), and Aperam South America exercises decisive influence on Aperam Stainless Services and Solutions Brazil; this makes them a single economic entity.
B. ELG Utica Alloys Ltd. (UK) and Aperam Alloys Imphy (France) are **indirectly** fully owned by Aperam SA (Luxembourg), and Aperam SA (Luxembourg) exercises decisive influence on ELG Utica Alloys Ltd. (UK) and Aperam Alloys Imphy (France); this makes them a single economic entity.

=> The antitrust rules do not as a principle apply to dealings and exchanges between entities that belong to the same corporate group i.e. Aperam as they form a single economic entity.

2.2. Cartels

Aperam has competitors in each of the markets in which it is active and must exercise extreme caution in any exchange and dealings with them.

Arrangements with competitors are considered unlawful irrespective of any consideration of justifications or efficiencies. Moreover, the most severe antitrust penalties, including in some countries, criminal liability, are applied to these types of infringements of competition law.

An increased risk factor is the common economic pressures that apply to all competitors in the same market which often produce similar conduct in the marketplace. While this parallel conduct may well be entirely lawful, it regularly attracts the attention of competition authorities and may cause an investigation, in particular where the conduct is accompanied by evidence of communications and contacts between and among competitors. Accordingly, it is of the utmost importance to avoid any contacts with competitors that might support an inference or allegations of collusion. This means that any contact with competitors that you may have for legitimate reasons should always be conducted as if they were at all times in the public view so that no one can question the intent or outcome of such contact with competitors.

Joint venture agreements with competitors may produce useful efficiencies, but can also restrict competition. You should always consult the Legal & Governance Team before entering into any such agreement.

The following cartel practices pose the greatest risk to Aperam. However, the list is not exhaustive: any practice that restricts competition in a relevant market is prohibited.

2.2.1 Price fixing

You must not agree with competitors to fix the price of a product irrespective of whether the arrangement is to increase the price or to decrease it. This includes many different arrangements, including agreements with a competitor of the amount of any component of the price, harmonised terms of trading (transport charges, payments for additional services, credit terms or the terms of guarantees), and price ranges of any kind.

2.2.2 Market sharing

You must not agree to share markets with competitors. This includes, for example, agreeing not to export to a competitor's home market, or to a particular territorial market or type of customer; agreeing to allocate certain customers to one another or certain types of product to one another; or agreeing not to compete.

2.2.3 Limits on activities

You must not agree to limit the number of products which Aperam or its competitors may sell, or try to sell (a sales quota).

Aperam must not agree with competitors to refuse to supply customers, refuse to purchase from suppliers, refuse to supply businesses that are planning to become competitors (a collective boycott) or otherwise keep (new) competitors out of the market.

Agreements to limit output or production are commonly found as part of a wider cartel intended to keep up prices. You must not:

- agree to adopt production or sales quotas to limit supplies to the market;
- agree not to build new production capacity or reduce existing capacity;
- agree not to provide certain products or services.

2.2.4 Bid rigging

You must not agree to limit competition in bidding. This includes:

- **Offer suppression**: Agreement to refrain from submitting a bid so that the bid of the agreed winner is accepted.
- **Supplementary offer submission**: Agreement to submit bids that are too high to be accepted, giving the appearance of a genuine tender, as various offers/bids were submitted.
- **Offer rotation**: Agreement to be alternately the lowest (i.e., best) bidder.
- **Subcontracting**: Agreement not to submit a tender or a "supplementary" tender in exchange for the award of a subcontract by the successful tenderer.

2.2.5 Employee competition

A number of hiring practices can also raise antitrust issues. Agreements which can constitute unlawful restraints of competition and are being increasingly prosecuted by authorities are:

- **Non-poaching agreements**: agreement with individual(s) at another company to refuse to solicit or hire that other company's employees.
- **Wage-fixing agreements**: agreements with individual(s) at another company about employee salary or other terms of compensation.

Remember that such behavior is at risk, even if the agreements are entered into with companies which don't have the same core business as Aperam (for example, entering into such kind of an agreement with a subcontractor).

2.2.6 Summary on horizontal agreements - Do's and Don'ts

Do	Do not
DO make independent decisions on pricing, strategy, customers and suppliers. **DO** be cautious about making public announcements regarding future pricing/strategy.	**DO NOT** agree to combine or align prices, discounts, or pass-through of costs. **DO NOT** set or attempt to set the price at which a customer may resell Aperam's products. **DO NOT** restrict where, or to whom, a customer may resell Aperam's products. **DO NOT** set, with a competitor, a minimum price below which prices cannot be reduced, or agree to increase prices by a certain amount or percentage. **DO NOT** establish with a competitor a range outside which prices are not to move.
DO compete vigorously and unilaterally for the business of new and existing customers.	**DO NOT** discuss or exchange sensitive information with (potential) competitors or fix/agree on commercial terms. **DO NOT** agree with a competitor on the amount of any component of the price (e.g. price supplements or surcharges). **DO NOT** discuss or agree on bids with competitors. **DO NOT** discuss or agree with competitors to ● limit production or production capacity or withhold inventory from the market; ● to share or allocate customers, markets and/or sales territories. **DO NOT** agree to harmonised terms of trading (transport charges, payments for additional services, credit terms or the terms of guarantees) with a competitor.
DO obtain clearance from the Legal & Governance Team prior to any joint operations, projects with competitors or prior to entering into any mergers, acquisitions, joint ventures or other form of partnership.	**DO NOT** enter into non-compete agreements ● which divide markets and/or allocate customers ● to boycott a customer, supplier or other competitor, ● about the speed and focus of R&D activities and new product introductions.
	DO NOT complain to your competitor and do not attempt in any way to influence it not to headhunt/poach employees of your Company.

2.3. Contacts with competitors and provision or receipt of Competitively Sensitive Information (Information exchange)

Competitively sensitive information is information that is likely to influence the commercial strategy of competitors. You must not exchange competitively sensitive information with actual or potential competitors under any circumstances.

This includes providing such information, or receiving it, or both and also information exchanged indirectly, for example, through a third party (including a customer), trade association or company secretarial service which collects, collates, and redistributes competitively sensitive information, from which the behavior of individual producers can be identified. Similarly, you must not provide or receive competitively sensitive information in the context of a distribution agreement or joint venture with competing suppliers.

There is no need to be reciprocity in the exchange, for the practice to be prohibited, i.e. provision of information by one Party to a competitor is sufficient for substantiating an illegal behavior.

From an antitrust perspective, the forum in and means by which information is exchanged is irrelevant.

The transfer of technology to, and certain other types of cooperation with competitors or potential competitors (e.g. within the terms of research and development agreements) may be exempted depending on the circumstances. You should not provide any information of any kind to competitors without first taking advice from the Legal & Governance Team.

To improve your knowledge on how to handle Competitively Sensitive Information, please check the training available on MyHR.

2.3.1 Specific Examples

2.3.1.a. Individual contacts

Avoid individual conversations with competitors entirely if you can, and by no means ever discuss or disclose competitively sensitive information (as defined above) with a competitor. If in any conversation, your competitor seeks to discuss competitively sensitive information, such as, but not limited to, current prices or enquire into plans for future prices, or any of the elements of prices, or any element of strategy relating to prices and/or commercial policy you must refuse to discuss that subject.

If any such interaction occurs, inform your management and the Legal & Governance Team in writing immediately .

2.3.1.b. Exchange and Meetings with Competitors

From time to time there may be occasions where Aperam will meet with competitors for legitimate business reasons, e.g. a due diligence exercise and negotiations in the context of proposed joint ventures, mergers and acquisitions, supply agreements and research and development agreements.

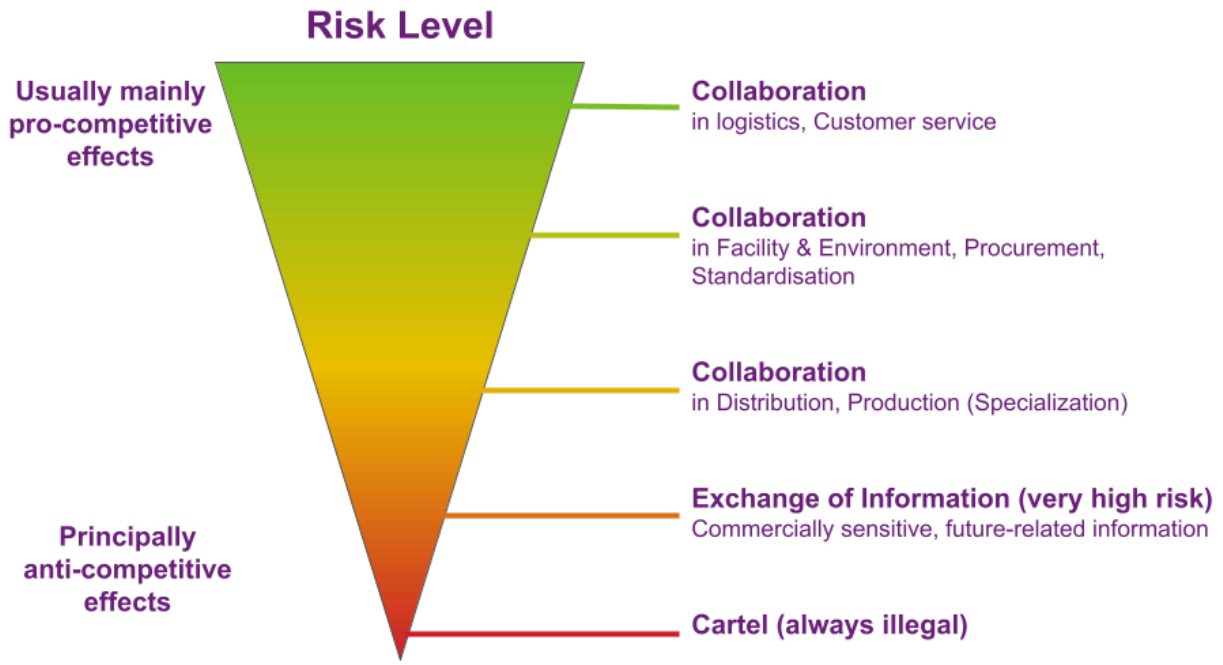
For meeting in the context of trade association meetings, please see section 2.4.

All of the policies and guidelines set forth with respect to individual contacts with competitors must be followed strictly with respect to any exchanges and meetings with competitors.

In particular, be very careful not to provide or receive competitively sensitive information in the context of supplies, processing/tolling, research and development, or joint ventures partnerships with competitors. Appropriate guidelines must be put in place on a case by case basis and information must be ring-fenced to:

- limit information flows on a strict need to know base;
- ensure that commercial representatives involved in the marketing and distribution of competing products (including directors who sit on multiple boards) do not see or use any competitively sensitive information relating to third party products obtained as a result of the arrangement or discuss anything other than the arrangement itself.

Please discuss with the Legal & Governance Team the appropriate procedures to be followed in each case.



2.3.1.c. Benchmarking

Benchmarking by exchanging information with competitors of Aperam is in principle NEVER permissible, except for benchmarking done through an outside consultant. Even in the latter case, very strict rules apply. You must contact the Legal & Governance Team before engaging in any benchmarking exercise.

2.3.1.d. Market Intelligence

You can obtain market intelligence only from sources other than competitors, such as publications, including trade reports, etc. Even if those sources don't give you as much information as you may want or need, you should NEVER go to competitors for such information.

Equally, you should not encourage customers or suppliers to provide you with competitors' prices or information on their commercial policy. If a customer or supplier happens to provide you with such information, please report this to your manager and please keep a written record of the source of such information and the circumstances in which it was provided to you.

2.3.2 Summary on contact with competitors - Do's and Don'ts

Do	Do not
DO avoid communication and using expressions that suggest collusion.	**DO NOT** communicate with competitors unless necessary (e.g. trade association meeting OR on going commercial agreement with competitor such supplies, tolling, sales etc). **DO NOT** state or imply any level of cooperation in communication with such statements as: ● *"In our view, prices will rise."* ● *"We raise prices, others will follow."* ● *"Everyone in the industry agrees that higher costs for raw materials will result in higher prices."*
DO apply the basic rules for exchange of information between competitors. Make sure the exercise is: ● limited to what is required within the pre-defined scope of the benchmarking (which must be established carefully in	**DO NOT** exchange competitively sensitive information with competitors. If competitively sensitive information is shared: ● Stop the conversation and point out that this must not be discussed between the

compliance with competition law). ● voluntary and framed by a Non-Disclosure Agreement ("NDA"). ● based on written guidance and processes developed in advance; and ● conducted in writing (avoid face-to-face meetings). **DO** object if competitive conditions or commercial strategy are discussed.	participants. ● Explicitly distance yourself and insist on the inclusion in the meeting minutes. ● Leave the meeting immediately. ● Inform your supervisor and the compliance/Legal & Governance Team. ● If you receive problematic communication from a competitor, do not ignore it. Talk to your manager or the Legal & Governance Team so that a record is made of how the company handled the matter.
DO avoid using suspicious and unclear language, and instead employ expressions such: ● *"Strictly confidential."* ● *"To be treated as confidential within the company."* ● *"Passing on is prohibited."*	**DO NOT** encourage secrecy or use suspicious expressions such as: ● *"To destroy after reading."* ● *"No records shall be kept on this matter."* ● *"Off the record" or "unofficial."* ● *"This agreement may be illegal, discretion required."*
DO reject attempts from other companies to share with you competitively sensitive information and notably information regarding compensation/benefit-related matters.	**DO NOT** send to nor receive from other companies information regarding compensation/benefits-related matters.
DO take advice from the Legal & Governance Team if you envisage participating in any such benchmark. In case of direct benchmarking between two or several parties: ● prepare a clear record of: (i) information that was exchanged between parties; (ii) meetings and discussions (minutes); and (iii) circumstances of exchanges (in the framework of benchmarking). ● establish appropriate mechanisms and procedures to avoid prohibited exchanges. ● involve only technical or non-market/strategy-related information (e.g. H&S or environment). ● ensure that information is disseminated carefully on a "need to know" basis. If possible, conduct the benchmark through an outside consultant (or trade association) which will serve as a black box and will store information appropriately. Where a benchmark relying on recent information is envisaged, an outside consultant must be used.	**DO NOT** exchange recent data, ongoing projects or forecasts or other information about future commercial intentions as well as recent, current and future individualised market prices and/or other terms or conditions of sale, plans to increase/decrease/maintain capacity or production, costs, market positions and strategies, specific customers. **DO NOT** discuss actions that could lead to or imply an interest in trade/competition restriction. **DO NOT** discuss the results of the benchmarking exercise, or common conclusions between competitors – Aperam must unilaterally decide how to use, and act upon, the information and conclusions received as a result of a benchmarking exercise.
DO keep track of the source, date and circumstances where a customer and/or supplier occasionally passes information on competitors (including JV or any company of parent group).	**DO NOT** ask for this type of information from competitors, or common agents/sales representatives who serve both Aperam and competitors. **DO NOT** oblige customers to provide you with

DO gather publicly available competitive intelligence, i.e., market research, annual reports, press releases, newspapers, published studies and reports, recruitment adverts.	competitor' terms of business (e.g. price) except when warranted in relevant jurisdiction to meet lower price quotes from such competitors. If you receive this type of information directly from a competitor, reject it and make it clear that you did not request the information and do not wish to receive it in future. Get in touch with the Legal & Governance Team on the first occasion.

2.4 Trade Associations

For more information on this topic, please refer to our additional material on this topic, found in Annex 2 Guidelines on trade associations membership & attendance and Annex 3 Legal Brief dedicated to trade associations and commercial fairs.

Trade associations perform useful and legitimate functions, and can be supported by the members of an industry under appropriate circumstances. Trade association meetings, however, provide opportunities for both formal and informal gatherings of competitors and, consequently, expose each person and company present to the risk of an inference of collusion or unlawful information exchange.

Accordingly, Aperam employees are not permitted to join any trade association unless management has determined that the association serves an important and proper purpose and approved the membership application. In case of any doubt, the Legal & Governance Team should be consulted.

Membership in trade associations will be monitored on a yearly basis, and approval must be given by your manager prior to joining. When attending trade association meetings, in addition to principles laid down in Annexes 2 and 3, the guidelines stated above at section 2.3 with respect to contacts with competitors must be strictly followed.

Prior to joining or attending their first meeting of the trade association, Aperam employees must perform mandatory training available on MyHR.

2.4.1 Summary on trade associations - Do's and Don'ts

Do	Do not
DO complete the mandatory trade association training available on MyHR before attending your first meeting.	**DO NOT** join a trade association without prior approval from your manager and the Legal & Governance Team.
DO make sure that the trade association has a competition compliance policy and that it is adhered to. **DO** review the meeting agenda before attending and ensure that you are comfortable that all items are legitimate topics of discussion and consistent with the purpose of the meeting.	**DO NOT** enter into any restrictive agreements as part of the industry initiative. This includes agreeing with competitors (non-exhaustive): ● the price you intend to charge. ● the geographic markets or retailers/customers you intend to focus on. ● whether to deal with a particular third part, or ● how (or whether) you will bid.
DO make sure that the information exchanged is: ● historical (i.e., at least one year old); and / or ● highly aggregated – be conservative when qualifying information as being highly aggregated (e.g., there must be data from a minimum of five different participants in a particular market and in any event, it is essential to ensure that no reverse engineering of sensitive information is possible). The following topics can be discussed: ● legislative initiatives at local, state, national or supra-national levels. ● industry-related public relations or lobbying initiatives (e.g., products/services concerns, industry image). ● non-confidential technical issues relevant to the industry, such as health and safety standards, regulatory indicators etc. ● technology in general, such as characteristics and suitability of a particular technology (but not a particular company's adoption of specific technology solutions).	**DO NOT** exchange any competitively sensitive information with competitors in the industry meeting. This includes (non-exhaustive): ● current or future prices/margins/discounts or any price / cost information. ● key commercial terms of joint venture agreements. ● unannounced investment/development plans or bids/pipeline projects. ● other commercial or marketing strategies; ● communication on environmental compliance that could be considered as granting a competitive advantage. or ● implementation steps taken to ensure that our products meet new regulatory obligations/timelines.
DO make sure that there is a minute-taker and that minutes are circulated after the meeting for confirmation by attendees.	**DO NOT** discuss ad hoc topics not listed on the agenda or engage in discussions that are "off-the-record".
DO escalate to the Legal & Governance Team on the first occasion if you are in any doubt about whether a particular topic or discussion raises competition law risk.	**DO NOT** feel embarrassed or hesitant about saying that you think a topic might raise a competition law risk and that the discussion should be stopped until legal advice has been sought. If the discussion continues you should have your objection noted in the minutes and leave the meeting.

3. Vertical Agreements - arrangements with customers and suppliers

3.1 Principle and definitions

Principle: Agreements between customers and suppliers, above a certain value and with hardcore restrictions (as defined below), can have serious anti-competitive effects and are forbidden in those cases.

Be on the lookout for these arrangements, as they raise serious antitrust concerns regardless of whether Aperam is the customer or supplier. Where a customer or a supplier proposes arrangements of this nature (detailed below), you should immediately consult the Legal & Governance Team. Aperam should only propose such arrangements with the approval of the Legal & Governance Team. In addition, joint purchasing and/or joint selling arrangements can affect competition and should NEVER be entered into without prior consultation with the Legal & Governance Team.

Hardcore restrictions are severe restrictions, which are likely to restrict competition and harm consumers or are not indispensable to the attainment of efficiency-enhancing effects.

Vertical agreement is an agreement or arrangement between two or more undertakings operating at different levels of the production or distribution chain and producing complementary, rather than competing, products or services, e.g. distribution or agency agreements for the sales of goods; purchasing contract of industrial services/ raw materials.

3.2. Hardcore restrictions

The following arrangements with customers or suppliers are likely to be unlawful:

- Setting your customer's pricing policies (e.g., resale price maintenance, or where recommended resale prices are enforced by sanctions).
- Market partitioning by sales territory (e.g., export restrictions or specifying where resale must take place) or customers (excessive/long term exclusivity arrangements; sole supplier status etc).
- Prohibition of passive sales outside a sales territory allocated to a trader or a reseller (parallel trade).
- Prohibition of selling competing products imposed on a trader or reseller except in certain circumstances.
- Most favored buyer clauses (a standard clause allowing a buyer to obtain the best possible price on goods or services from a seller by requiring it to provide the buyer with the lowest price among all buyers in that market).
- Meet or release clauses (an agreement between a supplier and a customer whereby, if the customer is offered a cheaper price by a competitor of the supplier, the supplier will provide the product at the same (or lower) price or the customer may be released from the agreement with said supplier). or
- Resale price maintenance (the imposition, either directly or indirectly, of a fixed or minimum price or a level price (price floor) to be applied by the buyer when reselling a product/service to its customers).

3.3. Exclusive sourcing arrangements (whether Aperam is the supplier or the customer)

An exclusivity clause, or a non-compete clause, is a clause requiring a party to either purchase or sell (all or a large part of - more than 80%) their stock to only one customer. This can be an issue if either the customer or supplier is dominant, as this can constitute both an abuse of dominant position or an anti-competitive agreement.

These clauses are only permissible where the agreement is for a definite period of time that is less than five years and both parties have less than a 30% market share. If the agreement is automatically renewable, this counts as an indefinite period and is not permitted.

Do not agree to a clause where the non-compete obligation exceeds five years, or is automatically renewable, unless you have first consulted the Legal & Governance Team.

If the customer or supplier is dominant in the market separate considerations arise, If you think that this is the case please contact the Legal & Governance Team for further guidance.

3.4. Exclusive distribution

A supplier can appoint a distributor for a particular geographical territory or a particular type of customer. Where it appoints a distributor for that territory or type of customer, the supplier can agree:

- not to appoint anyone else to sell to that territory or to that type of customer; and
- not itself to sell its products into that territory or to that type of customer.

This is an exclusive distribution agreement. By its nature, this is a restrictive agreement, as it restricts other distributors (and the supplier) from selling products in that territory or to those customers. However, provided both the supplier and the distributor have a market share under 30% and the agreement does not contain any hardcore restrictions, the agreement is likely to be permissible. At higher market shares, any other restrictions in the agreement must be assessed individually for their potential impact on competition, so contact the Legal & Governance Team.

A supplier in an exclusive distribution arrangement must not prevent its distributor selling goods in response to unsolicited orders from a customer outside the distributor's allocated territory or who belongs to a different customer group than the one allocated to him. This kind of unsolicited sale is known as a "passive sale". Having a website is regarded in general as a form of passive selling.

3.5. Agency agreements

Agency agreements, by nature, stipulate where the agent can sell goods or services, the customers to whom he or she can sell them and the prices at which they must be sold. These restrictions would in another context be likely to fall within the prohibition against anti-competitive agreements. Nonetheless, due to the nature of the role of an agent which is to conclude an agreement between its Principal (e.g. manufacturer, supplier) and customers, the agency agreement is not considered risky.

However, the category of genuine agency agreements is narrow and will not apply if the Agent takes on any element of risk in respect of the transaction. Even genuine agency agreements may infringe the competition rules if they lead to the market being closed off to competition. An example of this could be where the principal is prevented from appointing another agent for a territory, customer or type of territory (exclusive agency provisions) or where the agent is prevented from acting as an agent or distributor for companies that compete with the principal, especially if these extend beyond the life of the agency agreement.

Whether such a restriction can be justified is a matter that needs careful legal assessment so please contact the Legal & Governance Team if you are faced with such a situation.

3.6. Hub and spoke arrangements

A hub and spoke arrangement is defined as any indirect exchange of information between competitors through an intermediary operating at a different upstream or downstream level with a view to restricting competition.

For instance, Aperam as a supplier, must be very cautious about sharing competitively sensitive information which has been provided to it by one customer with another customer. For example, if a customer informs Aperam that it will be increasing the price of its products across the board, Aperam should not share this information with another customer. The channeling of information could be regarded as a three-way concerted practice between Aperam as the supplier and its two customers if it leads to a breach of the competition rules.

Likewise, Aperam must ensure that it is not used as a conduit for an information exchange taking place between its suppliers. If you have concerns about the conduct of suppliers then discuss them with the Legal & Governance Team.

3.7. Summary on vertical agreements - Do's and Don'ts

Do	Do Not

DO contact the Legal & Governance Team before making any substantial changes to the way Aperam does business with Suppliers or Customers whenever Aperam has a large market share (over 30%) in the product market.	**DO NOT** discriminate among customers in the terms of sale of products of similar grade, quality and quantity. **DO NOT** set or attempt to set the price at which a customer may resell Aperam's products. **DO NOT** restrict where, or to whom, a customer may resell Aperam's products. **DO NOT** offer loyalty discounts. **DO NOT** set your customer's pricing policies (e.g., resale price maintenance, or where recommended resale prices are enforced by sanctions). **DO NOT** partition the market by sales territory (e.g., export restrictions or specifying where resale must take place) or customers (excessive/long term exclusivity arrangements; sole supplier status etc). **DO NOT** prohibit passive sales outside a sales territory allocated to a trader or a reseller (parallel trade). **DO NOT** prohibit selling competing products imposed on a trader or reseller except in certain circumstances. **DO NOT** utilize most favored buyer clauses (a standard clause allowing a buyer to obtain the best possible price on goods or services from a seller by requiring it to provide the buyer with the lowest price among all buyers in that market). **DO NOT** utilize meet or release clauses (an agreement between a supplier and a customer whereby, if the customer is offered a cheaper price by a competitor of the supplier, the supplier will provide the product at the same (or lower) price or the customer may be released from the agreement with said supplier). **DO NOT** engage in Resale price maintenance (the imposition, either directly or indirectly, of a fixed or minimum price or a level price (price floor) to be applied by the buyer when reselling a product/service to its customers).

4. Abuse of a dominant position

4.1 Principle and definitions

Principle: A company in a dominant market position (see definition below) has a special responsibility not to allow its conduct to impair undistorted competition or exclude competitors from the market

Dominance itself is not prohibited, only the abuse of that dominance. Dominant companies are allowed to compete for business on the basis of the quality of their products and services. However, competition law places a special responsibility on dominant companies when competing in the market. As a consequence,

conduct that is perfectly legal for a company without market power may be an abuse when carried out by one that is dominant. Abuse of a dominant position includes taking steps to prevent competition developing by excluding actual or possible competitors as well as taking advantage of a strong market position by imposing unfair terms or charging excessive prices.

Abusive conduct: Behavior that: (i) cannot be explained by customary commercial behavior (i.e. behavior that is "abnormal" or "unreasonable"); and (ii) negatively affects / distorts competition.

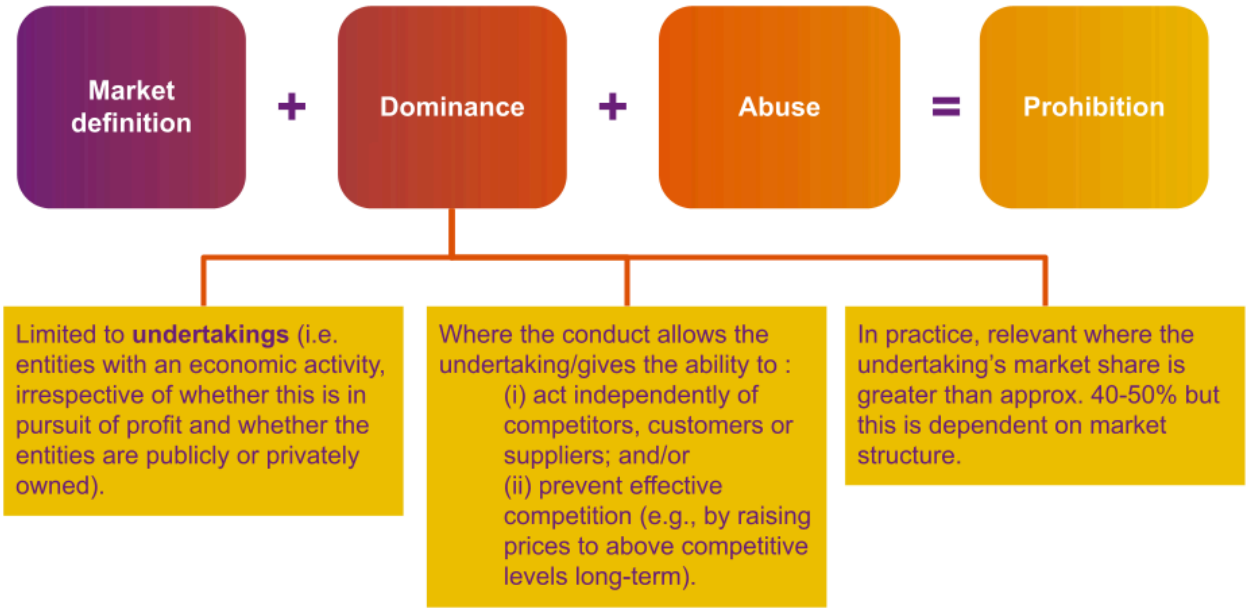
Dominance: a position of economic strength which enables a company to prevent effective competition in a relevant market by affording it the power to behave to an appreciable extent independently from its competitors, its customers and ultimately of consumers. Monopoly power occurs when a firm has a dominant position in the market.

Dominance is presumed above a 50% market share, although evidence to the contrary may disprove it, and may exist at market shares in the range 30%-40%.

Joint Dominance: where two or more companies, together, are in a position 1) to behave independently of their competitors, suppliers or customers; and 2) to hinder the maintenance of effective competition in the market.

Although the law in this area is far from clear, the companies concerned must at least in some respects adopt common conduct or otherwise align their behavior on the relevant markets. Joint dominance may arise in markets in which it is easy for companies to co-ordinate their pricing and other behavior, for example, markets where:

- there are very few suppliers,
- the suppliers have information about each other, and
- the products or services are similar and readily interchangeable.



4.2 Abusive conduct

Conduct that is perfectly legal for a firm that is not dominant may be unlawful ("abusive") when engaged in by a firm that is dominant. Abusive conduct may, in particular, consist of:

4.2.1 Predatory Pricing

A seller with market power in a particular product or service market is prohibited from pricing below cost

to a competitor with the intent to harm, or the likely effect of harming, that competitor and/ or with the aim of removing competition on that particular market.

4.2.2 Selection and Rejection of Customers or Suppliers

A refusal to deal with a would-be or an existing customer or supplier may be unlawful if the refusing party has market power in respect of the product concerned.

4.2.3 Price Discrimination and other Differential Treatment of Customers and Suppliers

A seller that has market power must not discriminate in its prices or other sales conditions when dealing with similarly situated customers under comparable conditions. Only if there is an objective justification for the different conditions (e.g., rebate to a distributor providing special service), may different prices or terms be proposed to customers in the same class or category. Discriminatory discounts by a dominant company are generally not permitted.

4.2.4 "Tie-Ins" and "Bundling" of Product Ranges

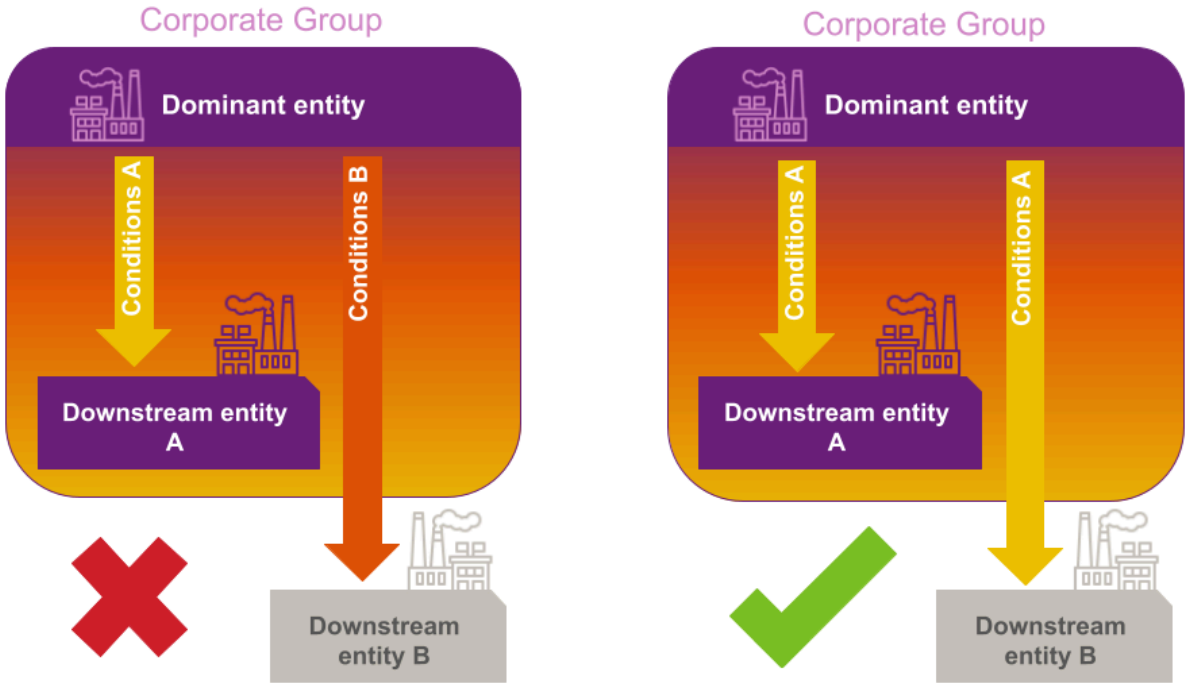
A seller with market power in one of its product markets may NOT force its customers to make other purchases from it by „tying" its sales of the product where there is dominance with sales of other products. Severe antitrust penalties are applied to these types of violations.

If you believe that Aperam has market power in relation to a certain product, or if you are dealing with a supplier which has market power you should consult with the Legal & Governance Team.

4.3 Additional Care

In product or geographic markets in which Aperam has a dominant position, differential treatment between an upstream/downstream subsidiary of the Aperam group and a third party competing with this subsidiary should be avoided.

Any difference in treatment must be duly justified by objective reasons (e.g. differing quantities being supplied) unrelated to the exclusion of the third-party competitor from the market.



Factory icon designed by Freepik

Please contact your Legal & Governance Team if you are seeking to exercise differential treatment of Aperam affiliates and competing third parties when the product/service's seller has a dominant position.

4.4 Summary on abuse of dominant position - Do's and Don'ts

Do	Do Not
DO make discounts functionality available to all customers.	**DO NOT** offer loyalty discounts. **DO NOT** discriminate among customers in the terms of sale of products of similar grade, quality and quantity. **DO NOT** condition the availability of a desired product upon the customer's purchase of another product.
DO contact the Legal & Governance Team before making any substantial changes to the way Aperam does business with whenever Aperam has a large market share in a given product or geographic market.	**DO NOT** engage in conduct that undercuts competition in markets where Aperam is already the dominant entity.

5. Accuracy in Writing

Be accurate in what you write in correspondence, emails and memoranda about the businesses in which Aperam competes, its competition and competitors. It is easy for what we write to be taken out of context and provoke incorrect inferences about our commercial conduct and/or the markets in which we compete.

Please also note that in the context of proposed M&A operations (joint ventures, acquisitions, divestitures) internal documents may have to be provided to national competition authorities. Such documents will typically contain a market analysis and explicit statements on strategic intentions.

5.1 Summary on accuracy in writing - Do's and Don'ts

Do	Do Not
DO always write clearly, concisely and completely and avoid exaggeration.	**DO NOT** ever overstate or exaggerate Aperam's market position and/or its market strategy.
DO mark all documents (including e-mails) "Confidential and Legally Privileged" when corresponding with external counsel. **DO** limit memoranda (e.g. e-mails, customer's visit reports, slides, etc.) dealing with the subject of competition or competitive prices to statements of fact and always provide the source of the information.	**DO NOT** ever write inter-office memoranda (e.g. e-mails, customer's visit report, slides etc.) in a way that could support an inference that Aperam is engaging in predatory or exclusionary activity, that there is some sort of collusive understanding among competitors or that Aperam is otherwise acting with anticompetitive intent (for example, references to driving out the competition).

6. Government Investigations

Officers and employees should inform the Legal & Governance Team immediately where there are allegations, be it from competitors, customers or any other source, that Aperam is involved in anticompetitive behavior.

It is Aperam's policy to cooperate in all appropriate ways with authorized governmental authorities in connection with any investigation conducted by them in the proper performance of their duties. A government investigation in this context means any non-routine enquiry by a law enforcement agency related to the corporate activities of Aperam or its subsidiaries regarding possible criminal or civil violations of any laws or regulations.

National competition authorities may issue a request for information to Aperam and require Aperam to furnish oral or written information.

These authorities may also at any time conduct unannounced on-site inspections (“dawn raids”) in any premises of Aperam and/or private cars or houses. It is important, therefore, that any non-routine government investigation, whether antitrust or otherwise, be properly coordinated within Aperam and handled in a prompt and orderly manner. Aperam’s Legal & Governance Team should be immediately informed when any employee is approached by any person or authority conducting a government investigation regarding possible violations of competition laws.

In order to ensure the required coordination, and the furnishing of accurate and complete information, as well as to safeguard the rights of Aperam and its employees, no information concerning Aperam’s business, whether oral or written, should be furnished except after prior review, advice and approval of the Legal & Governance Team. The Aperam “Dawn Raid” Guidelines should be followed in case of on-site inspections conducted by EU and/or national competition authorities. The destruction of Aperam records or files should always comply with Aperam’s rules on the retention of documents and records. No Aperam record or file may be destroyed or altered during a government or internal investigation. Not following these rules could lead to serious consequences for employees, including dismissal.

For more information on this topic, please refer to our additional material, found in Annex 4 - Aperam Dawnraid policy.

7. Consequences of Violation of Antitrust Laws

A violation of antitrust law may result in significant penalties for Aperam and individuals alike, including in certain circumstances, prison terms for individuals. Agreements containing an illegal clause may be held unenforceable and invalid.

Examples of possible sanctions are:

- Monetary fines to the company.
- Monetary fines to individuals involved and, in some countries, supervisors/managers/directors that were aware of the conduct and did not take any action to stop it.
- Non-monetary sanctions in certain countries: such as prohibition to participate in public bids.
- Lawsuits: customers, suppliers and competitors harmed by the practice are entitled to damages, including triple damages and double damages in certain countries.
- Criminal sanctions (cartel is a CRIME in various jurisdictions).
- Repeated infringements are punished with increased fines.
- Damage to reputation.
- Loss of focus of the company and individuals, dawn raids, document review, internal interview,etc.

Moreover, in addition to criminal and civil penalties, antitrust violations are also subject to private damage actions that allow private parties (e.g., customers) the right to recover very substantial amounts on account of damage caused to their business by unlawful conduct.

Criminal and/or civil fines, private actions for damages, and, most importantly, damage to the reputation of a company in the marketplace, can severely impact a company’s business and share price.

In all cases where the evidence is sufficient to warrant disciplinary action, such action will be taken against Aperam employees involved in any illegal conduct, in compliance with all applicable laws.

8. Updating the Policy

The Legal & Governance Team is responsible to update this Policy based on regulatory changes or other legal or organizational developments.

Annexes

Annex 1. List of Examples of Competitively Sensitive Information

Competitively Sensitive Information (CSI)	Non-Sensitive Information
Current (less than one year old)* or future pricing information including discounts, rebates, timing of pricing changes, promotions or margins (including any relevant policies). **Please be aware that for certain activities and/or products, the period of time within which information may be considered to be "historical" may be longer, in particular taking into consideration the duration of business contracts. For example, in the steel sector, it is generally accepted that information which is one year old is historical. However, for certain products such as semis and ingots, packaging steels, and railway material, information which is one year old could be considered as being too recent in relation to the current activity and, consequently, not historic.*	Aggregated revenue, output and cost information.
Strategic or marketing plans (including proposed investments) which are not in the public domain.	High level information about performance.
Current and future profit margins or profitability targets.	Best practices relating to operation, engineering, environment, IT, information management, health & safety, compliance etc.
Precise details relating to individual customers including the terms and conditions they are supplied upon (particularly as regards prices and volumes).	
Status of negotiations with present or potential customers or suppliers	Historical information which cannot influence future market behaviour (generally more than 12 months old).
Identity of potential customers/suppliers.	Information from public sources/information that is (lawfully) in the public domain such as trade press or industry surveys.
Unannounced expansion plans.	Matters of general interest to the industry, for example, new legislation.
Future capacity and utilisation information (which is not in the public domain).	Asset and facility descriptions.
Proprietary technologies of a confidential nature (e.g., patents and design specifications).	General corporate organisation: structure, staff numbers and functions, etc.
Forward looking sales information.	Announced capital expansion plans.
Current input/supply costs (which are	Financial/tax issues and human resources

Competitively Sensitive Information (CSI)	Non-Sensitive Information
disaggregated), including variable costs.	planning.
Intention to bid/not bid for strategic contracts.	Necessary financial information for shareholder reporting purposes: including balance sheets, profit and loss accounts, valuation of assets etc.

Annex 2. **Guidelines on trade association memberships and attendance**
Annex 3. **Legal Brief dedicated to trade associations and commercial fairs**
Annex 4. **Aperam Dawn raid guidelines**