

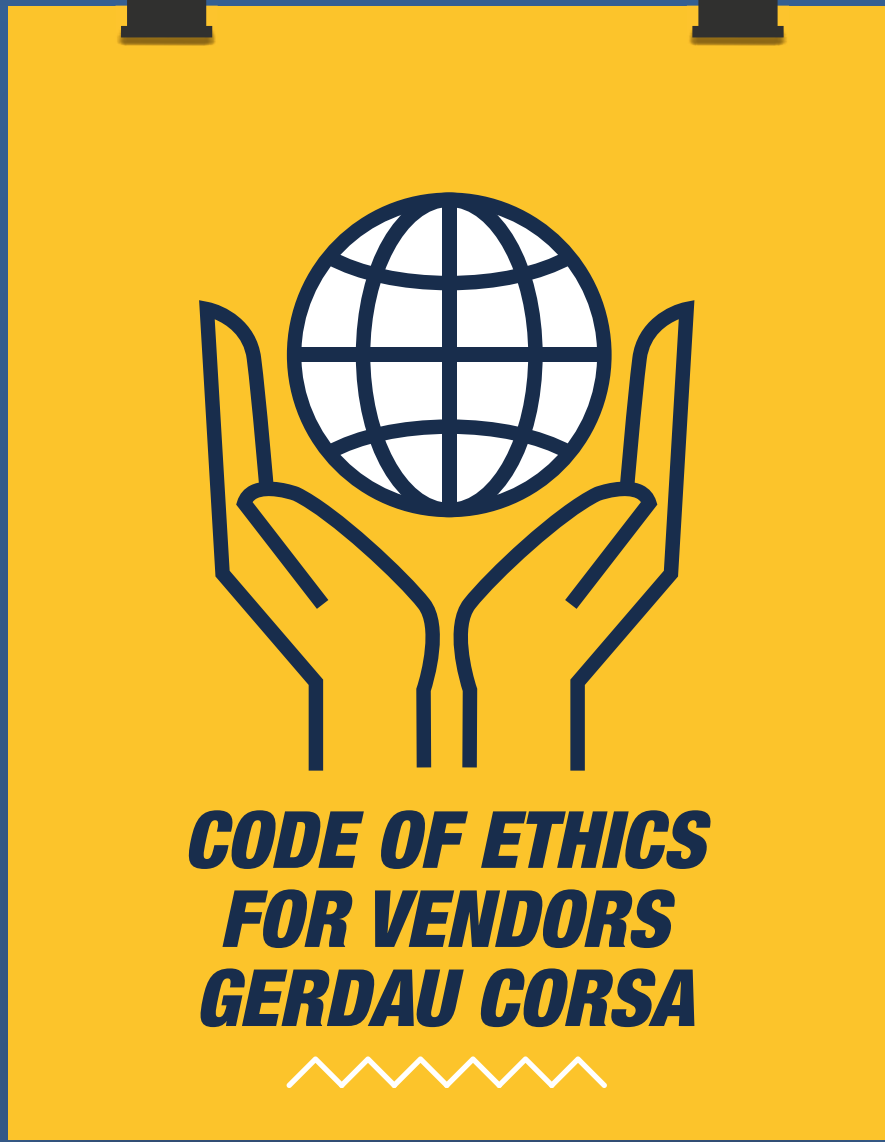
CODE OF ETHICS FOR VENDORS



Think big, do it in steel.



GERDAU CORSA



CODE OF ETHICS FOR VENDORS

At companies identified as: Sidertul S.A. de C.V., Gerdau Corsa SAPI de C.V. and/or Aceros Corsa S.A. de C.V., and/or their subsidiaries (hereinafter referred to as “GERDAU CORSA”), we are committed to comply with anti-corruption legislation existing in Mexico and in other countries where our company has commercial presence. Including FCPA, Foreign Corrupt Practices Act (Ley de Prácticas Extranjeras de Anticorrupción), OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Convención de la Organización para la Cooperación y el Desarrollo Económico para Combatir el Soborno de Funcionarios Públicos Extranjeros, hereinafter referred to as the “OECD Convention”), and other anti-corruption and anti-bribery acts (jointly referred to as “anti-corruption acts”).

Likewise, all directors, executives, employees, officers and representatives, associates of the Mexican companies “Gerdau Corsa”, anybody conducting regular or extraordinary business activities with it, or on its behalf, regardless of his or her nationality, are bound to fully comply with FCPA, the Anti-Bribery Act, the OECD Convention and other anti-corruption acts in force in Mexico.

We are committed to conducting business in observance of the highest ethical standards, and in compliance with legal requirements.

Therefore, as “our vendor”, we need your ethical commitment to our companies, “Gerdau Corsa”, in order to nurture a transparent, fair, quality focused, relationship, free from any act of corruption.

Likewise, all directors, executives, employees, officers and representatives, associates of Mexican companies “Gerdau Corsa”, anybody conducting regular or extraordinary business activities with it, or on its behalf, regardless of nationality, are bound to fully comply with FCPA, the Anti-bribery Act, OECD Anti-bribery Convention and other anti-corruption acts in force in Mexico.

For “Gerdau Corsa” it is of utmost importance to have a relationship with vendors based on integrity, honesty and transparency. Thus, and as per the principles of the code of ethics of “Gerdau Corsa”, we are hereby sharing with you this document, the “Code of Ethics for Vendors” which will rule the relationship with each and every vendor supplying Goods and Services to “Gerdau Corsa” across its operations.

Comply with anti-corruption acts in force in Mexico and in other countries where we have commercial presence. Including (FCPA, Foreign Corrupt Practices Act (Ley de Prácticas Extranjeras de Anticorrupción), OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Convención de la Organización para la Cooperación y el Desarrollo Económico para Combatir el Soborno de Funcionarios Públicos Extranjeros, hereinafter referred to as the “OECD Convention”), and other anti-corruption and anti-bribery acts (jointly referred to as “anti-corruption acts”).

Therefore, we thank you for taking the time to read this “CODE OF ETHICS FOR VENDORS” in detail; if you agree with it please sign the acknowledgement of receipt and agreement with conducts and behaviors to be observed as vendor of “Gerdau Corsa”.

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CODE OF ETHICS



The “Code of Ethics for Vendors” is supported by the following pillars, aimed at nurturing a business relationship based on transparency, integrity, and guarantees for all parties involved.



I. WORKING CONDITIONS

a. Human Rights The vendor shall ensure compliance with the “UN Declarations of Human Rights” for all.

b. Forced Labor, Human Trafficking, Minimum Age:

- i. The vendor shall guarantee that it does not support human trafficking or people smuggling.*
- ii. Comply with minimum age for employment according to applicable local and federal laws.*
- iii. The vendor shall guarantee that it does not practice either physical abuse or forced labor with his employees.*

c. Freedom of Association The vendor shall respect the freedom of its employees pertaining to the freedom of association and union affiliation.

d. Payment and Work Hours The vendor shall guarantee compliance with work hours and other benefits in accordance with local and federal laws. Furthermore, it shall guarantee payment of salaries according to applicable local and federal

laws, including among other payments, vacation, and rest days, maternity and paternity leaves of absence, among others.

e. Discrimination: The vendor shall guarantee that it does not practice or promote discrimination to anyone in accordance with C111 of the International Labor Organization (ILO), including: “ race, color, sex, religion, political opinion, national extraction or social origin which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation”.

f. Compliance with Labor Law in Force In conformity with that set forth in Article 13 of the Federal Labor Law, and since the Vendor has sufficient necessary resources to comply with obligations derived from relations with employees, they shall not be considered as intermediaries, and by no means shall relationship with “Gerdau Corsa” imply labor relations between employees, workers and/or executives of one PARTY with the counterpart.

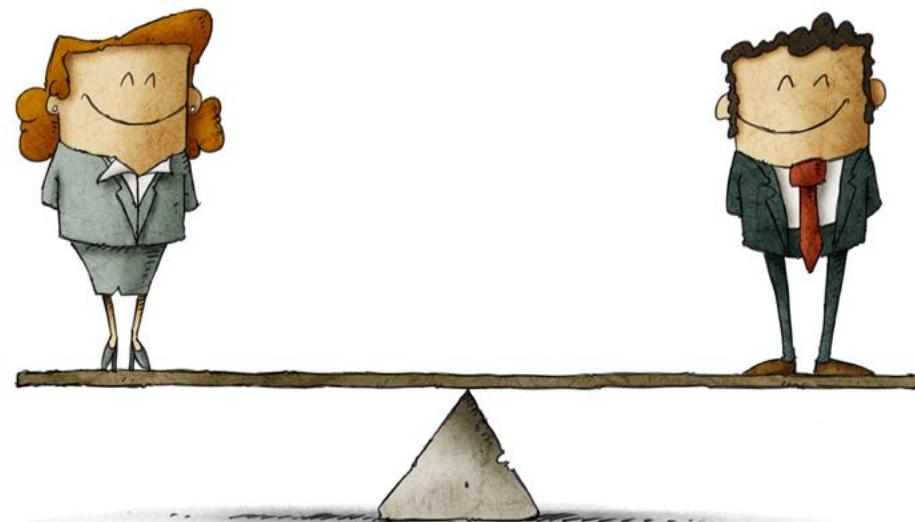


The Vendor agrees to hold Gerdau Corsa harmless from any controversy arising from concepts mentioned before. It is expressly stipulated that between the Vendor and Gerdau Corsa there is no subordination or labor relation, thus Gerdau Corsa shall not undertake any obligations derived from the Federal Labor Law, Social Security Law, INFONAVIT, SAR, etc., regarding the Vendor, its personnel or personnel subordinated or subcontracted by the latter, and should, in all cases, hold Gerdau Corsa harmless from all claims that might be filed against it by personnel of the Vendor.

“Gerdau Corsa” shall not be responsible for accidents or risk eventually suffered by the Vendor or personnel hired or subcontracted by it, to supply goods and services, and it binds to hold Gerdau Corsa free from any subsequent claims that such people might file against it.

g. Own Resources The Vendor binds to supply goods and services to Gerdau Corsa with its own equipment, tools, materials and personnel, thus from the beginning of the business relationship it shall hold Gerdau Corsa harmless from claims filed against it by any company worker, labor union or entity (not limited to: Secretaria de Hacienda y Crédito Público (SHCP), Instituto Mexicano del Seguro Social (IMSS), Instituto del Fondo Nacional de la Vivienda para los Trabajadores (INFONATIV).

The Vendor shall guarantee to have trained and qualified personnel who comply with all necessary requirements to supply goods and services to Gerdau Corsa, and guarantees that such personnel works under its total and exclusive guiding, supervision and economic dependence; thus, the Vendor undertakes compliance with labor obligations or any other obligation regarding personnel hired or contracted by it to supply goods and services to Gerdau Corsa.



The Vendor shall abide by administrative, safety and environmental standards that Gerdau Corsa has in place, or that Gerdau Corsa may implement in the future, during the time of validity of the business relationship. By virtue of the above, the Vendor guarantees that personnel used to supply goods and services are familiar with such provisions, thus ensuring observance and correct execution.

a. Health and Safety Conditions: The Vendor shall guarantee a safe and healthy environment for its employees. This includes taking necessary actions to reduce and prevent work accidents, have necessary protocols and procedures in the event of an emergency. Likewise, the Vendor shall provide necessary personal protection equipment to its personnel according to the degree of risk they are exposed to during their regular work activities.

b. Manual for Vendors: All personnel of the Vendor working at facilities of Gerdau Corsa are obliged to know and comply with Gerdau Corsa’s Manual for Vendors.

c. Medical Attention: The Vendor shall guarantee appropriate medical treatment for its employees in the event of incident or accident.

Likewise, the Vendor guarantees strict observance with standards applicable to safety and environment, as well as guidelines set forth by “Gerdau Corsa” for such matters, defined in document Environmental Guidelines for Contractors and Service Rendering Vendors, and shall make sure that its personnel are familiar with such guidelines.

The Vendor shall not leave material or substances harmful to flora, fauna, human or animal health, and shall not spill contaminants to the atmosphere, bodies of water or ground. Resulting from the aforementioned, the Vendor binds to strictly observe provisions issued by Comisión Federal de Competencia Económica (COFECE), Instituto Nacional de Transparencia, Acceso a la Información y Protección de Datos Personales (INAI), Secretaría del Medio Ambiente y Recursos Naturales (SEMARNAT) and Sistema Nacional Anticorrupción (SNA), among others.





III. COMPLIANCE

Prevent acts of corruption and/or bribery:

As Third Party Vendor, I hereby commit with the company or companies of “Gerdau Corsa” (as applicable on each case), to refrain from offering directly or indirectly, deliver or agree to deliver, any Valuable which might be seen as an act of corruption and/or attempt to compromise the independence of judgement or which might influence business decisions made by directors, executives, employees, officials, representatives or associates of “Gerdau Corsa”.

Appropriate and transparent relationship with Public Officials

As Third Party Vendor, I hereby commit to interact in a transparent and ethical manner with officials of the public administration, either federal, state or municipal, with whom I have to interact as a result of my own activities as agent, consultant, to file a lawsuit or intermediation, proceedings for import or export of goods, in any area requested by the company or companies of “Gerdau Corsa” as CLIENT.

Interaction with public officials shall be, at all times, appropriate and transparent. Thus, any commercial activity involving the Third Party Vendor, in an interaction with or regarding a public official, should, at the very least, comply with general prohibitions as follows:

(i) Any Valuable Item delivered as payment, either directly or indirectly, shall (a) respond to a legal and lawful reason; (b) meet and comply with laws in force, as well as (c) be paid to the institution, entity or body where the public official works;

(ii) Valuable items delivered as payment shall not be used: (a) To put, exercise or promote unlawful influence or, ensure performance or execution of illegal or inappropriate behavior; (b) to obtain, gain, ensure or grab a commercial or business opportunity;

Safekeeping and gathering of the aforementioned documents will be the Third Party Vendor’s obligation towards directors, executives, employees, officials and/or representatives and associates of “Gerdau Corsa” who take part in such same commercial relationship, and shall be registered in accordance with applicable standards decided by the company.

Prevent Conflict of Interest

In my role as Third Party Vendor, I bind to behave according to the highest ethical interests of my client, this is “Gerdau Corsa” companies, in this case; thus, I shall make sure that all commercial decisions are made according to business opportunities which arise, and provided such decisions are not influenced or affected by personal, family interests or



relationships, or interests resulting from friendship with a person in his/her role as director, executive employee, official, representative or associate of “Gerdau Corsa” companies.

Directors, executives, employees, officials, representatives or associates of “Gerdau Corsa” shall not use resources or means of the company, or their position or professional role, for their own benefit or for the benefit of family, friends or any other activity or business relationship beyond “Gerdau Corsa”.

Gifts and Entertainment

In my role as Vendor, I shall not give gifts or offer any other valuable item resulting in favorable treatment during my commercial relationship with “Gerdau Corsa’s” collaborator. “Inappropriate” gifts and entertainment give rise to conflict of interest between The Parties.

Solid relationships with vendors are essential to any company. Gifts and entertainment are courtesies that contribute to strengthening such relationships in some cultures more than in others.

In general, “Gerdau Corsa” allows giving and receiving gifts and entertainment provided they are appropriate, this means that they do not give rise to a sense of having to do or give something in exchange to the person who receives them. In other words, they should not give rise to favoritism.

Appropriate gifts are those of moderate value which, in general, bear the corporate brand and are given, in general, to all publics.

I my role as Vendor, I commit not to deliver, offer inappropriate gifts and entertainment which may result in negative consequences for “Gerdau Corsa”, for example, inappropriate influence (or which may seem to influence) business decisions or might give rise to conflict of interest.

Based on contents of this section, the Vendor of “Gerdau Corsa” should keep a transparent relationship, free of commitments, except from rendering, conducting and complying with a quality and fair service for “Gerdau Corsa”; such situation should have the highest value and be sufficient for all collaborators of “Gerdau Corsa” who might have direct or indirect relationship with the vendor.

Adequate contracting with “Gerdau Corsa”

“Gerdau Corsa” can only have a commercial relationship or subcontract third parties whenever there is legitimate reason to do so, and such relationship should limit to delivery of goods or services required.

Therefore, in my role as Third Party Vendor, I undertake to, upon request from the company or companies of “Gerdau Corsa”, undergo due-diligence procedures to gather more information about my activity as vendor and my behavior in the market I work in.





In my role as Third Party Vendor, I undertake to enter an agreement in writing upon request from “Gerdau Corsa”, in order to rule our contractual relationship in force, if we do not have one, I agree that monetary compensation shall be, at all times:

- (a) According to the situation and market value of similar products and services,
- (b) justifiable and according to the good or service acquired,
- (c) according to that agreed in the respective contracts,
- (d) not be moved by desire or intention to exercise inappropriate or illegal influence or to guarantee a commercial opportunity or behavior or illegal activity,
- (e) not be but payment for the fair market value of the service or product, or in order to gain business or commercial opportunities.

Comply with Safety with “Gerdau Corsa”

The companies of “Gerdau Corsa” wish to have a work environment where everybody can feel safe. Safety and health are of the highest relevance for “Gerdau Corsa”. Thus, we have adopted a policy which contemplates life and integrity of people as priorities across relationships.

In my role as Third Party Vendor of “Gerdau Corsa” I undertake to aid the Company or companies of “Gerdau Corsa” so that all activities involving myself, my services and my personnel take place in accordance with this Value, acting with Safety in and outside the facilities of “Gerdau Corsa”.

Compliance with Laws in Force

In my role as Third Party Vendor, I undertake to comply with laws in force in the fiscal, civil, commercial, labor areas, among others, applicable to my activity; I also agree to behave within the framework of the law in all business deals with the company or companies of “Gerdau Corsa”.

Confidentiality of Information

In my role as Vendor of “Gerdau Corsa”, all information received from it shall be considered as Confidential Information by me; all oral, written and graphic information, as well as documents received or obtained by any means, including but not limited to optic and electromagnetic means, from the beginning of the business relationship between the Parties, and for their related parties, and information received in the future.

In my role as Vendor of “Gerdau Corsa”, the use, transmission, disclosing and/or dissemination fully or partially to third parties, in any way and place are strictly prohibited to me, since it is considered as property of the Parties. Compliance with confidentiality is applicable to my personnel or to personnel subcontracted by me, or to individuals or legal entities who have access to it due to their work, employment, position, role or business relationship.

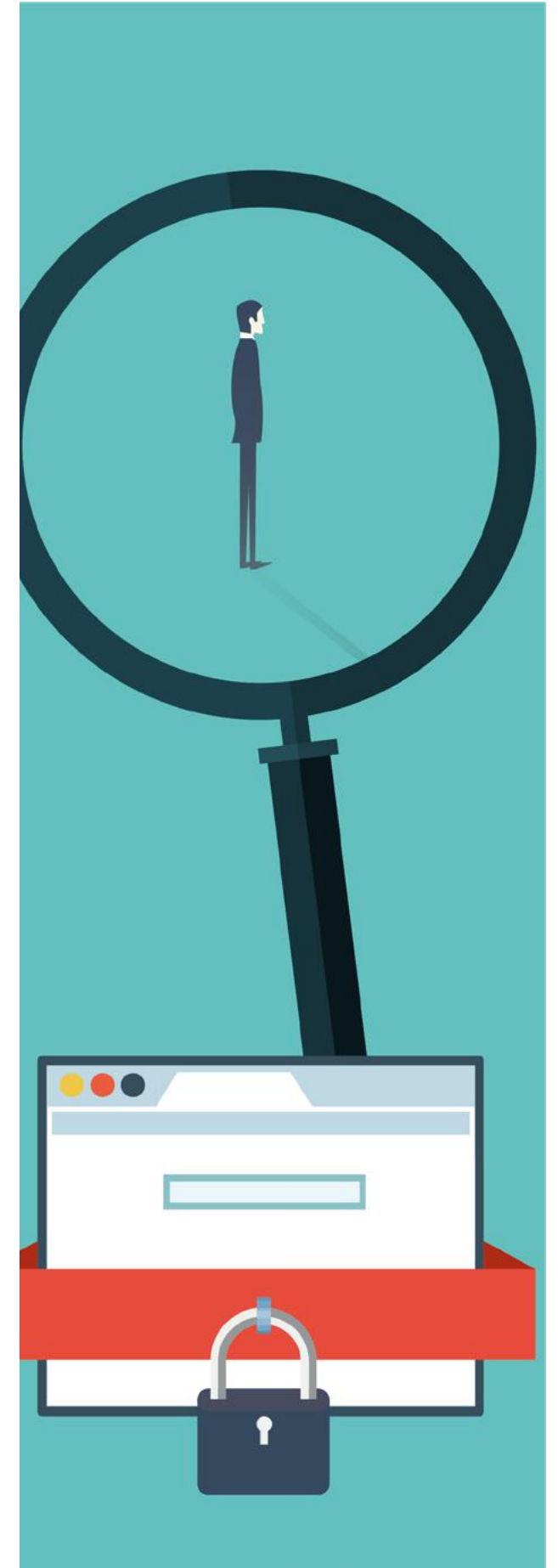
IV. TERM

This Code of ethics for Vendors will have indefinite validity as of May 30, 2019, and may be amended from time to time in case of amendments to the law in force or resulting from the requirement from “Gerdau Corsa”, in order to improve contents thereof, if necessary.

V. REPORT OF IRREGULARITIES

Non-compliances with the Code of Ethics for Vendors or illegal or unethical behavior may be reported in a confidential and anonymous way at:

- The Ethics Cannel at www.gerdau.com
- Call **+55 51 33231901**
- E-mail: canal.etica@gerdau.com.br





ACKNOWLEDGEMENT OF RECEIPT
CODE OF ETHICS FOR VENDORS OF “GERDAU CORSA”

Upon signature of this document I hereby expressly manifest that:

- a. I have received the Code of Ethics for Vendors of “Gerdau Corsa”.*
- b. I agree with principles and behaviors I shall observe, including in this Code of Ethics for Vendors.*
- c. I guarantee to “Gerdau Corsa” that all employees, my own or subcontracted, will know and will comply with this Code of Ethics for Vendors, as of the date of acknowledgment of receipt.*
- d. I know that signing this acknowledgment of receipt does not bind “Gerdau Corsa” to undertake a business relationship with the undersigned company.*

Having been duly informed of contents and scope hereof, this document is signed:

Company Name of the Vendor: _____

Taxpayer Record Number: _____

Name of the Legal Representative: _____

Signature: _____

Date: _____

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