Business Integrity Policy

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1. INTRODUCTION

Scaaw is a leading South African-based integrated steelmaker producing steel products for the mining, rail, power, offshore oil and gas, construction, commercial and other industrial sectors headquartered in Johannesburg, South Africa. As a globally recognized leader in numerous specialised products, Scaaw serves markets across the globe.

Integrity is fundamental to Scaaw. Integrity means taking an honest, fair, ethical and transparent approach in everything we do and with everyone that we interact with. It is not about being popular. It's about always doing the right thing.

Earning and continuing to command trust is paramount to our reputation and the success of our business. Our stakeholders should be confident that we deal with them fairly and ethically. By acting with integrity, we reflect positively on our values of safety, accountability, care & respect, teamwork, continuous improvement, customer satisfaction and quality.

We all want to do what is right, for ourselves and for Scaaw. This Business Integrity Policy will guide us. It defines how employees should conduct themselves as representatives of Scaaw. It further addresses our responsibilities to Scaaw, to each other and to customers, suppliers, competitors and government.
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2. DEFINITIONS

Unless the context indicates or states a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings –

“Company” means Scaw as defined below

“Company assets” includes amongst other things, the Company’s money products or services, employees’ time at work and work product, computer systems and software, telephones, wireless communication devices, photocopiers, Company vehicles, proprietary information

“Competitive Intelligence” information about our competitors

“Facilitation payments” small payments to government officials made to expedite or facilitate non-discretionary actions or services, such as obtaining an ordinary license or phone service.

“Government officials” employees of any government anywhere in the world, even low-ranking employees or employees of government-controlled entities. The term also includes political parties and party officials, candidates for political office, and employees of public international organisations, such as the United Nations.
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“Non-public information” any information that the Company has not disclosed or made generally available to the public, which may include information related to employees, inventions, contracts, strategic and business plans, major management changes, new product launches, mergers and acquisitions, technical specifications, pricing, proposals, financial data and product costs.

“Relative” a spouse, parent, sibling, grandparent, child, grandchild, mother- or father-in-law, or same or opposite sex domestic partner, as well as any other family member who lives with you or who is otherwise financially dependent on you, or on whom you are financially dependent.

“Scaw” means Scaw South Africa (Pty) Ltd

“Scaw Board” means the Scaw Board of Directors appointed from time to time and who are responsible for managing the business of Scaw.

“Supplier” any vendor of product or services to the Company, including consultants, contractors and agents. The definition also includes any supplier that the Company is actively considering using, even if no business ultimately is awarded.
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3. PURPOSE

The purpose of this Policy is to help guide our everyday actions and decisions with a view to maintaining consistently high ethical standards and thereby acting in the best interests of Scaw.

This Policy will outline the expectations we have of ourselves, what our stakeholders can expect of us and what we should expect of them.

4. SCOPE

This Policy applies to all Scaw employees including part time employees and contractors where applicable.

5. RESPONSIBILITY

All employees are required to understand and comply with this Policy. All employees are required to exercise good judgement and avoid even the appearance of improper behaviour.

If ever in doubt about a course of conduct, employees should ask themselves:

- Is my course of action consistent with Scaw's values and the Business Integrity Policy?
- Am I setting a good example?
- Am I being transparent?
- Have I sought appropriate advice?
- Would my actions cause embarrassment to Scaw or to me if they were to become public knowledge?
If the answer is "No" to any of these questions, then the conduct in question should be avoided.

6. UNETHICAL BEHAVIOUR

Corruption is defined as any act intended to result in the misuse of entrusted power for personal or corporate gain. Corruption encompasses a variety of situations, including bribery, conflicts of interest, theft, extortion, embezzlement, fraud and misuse of company assets.

Bribery is defined as promising, offering or giving an undue advantage to a person or entity, either directly or through an intermediary, in order that the person or entity should perform, or refrain from performing, an act in breach of their business or public duties. Common examples of bribery include:
- cash or other forms of payment to secure a contract or obtain a license
- improper donations to political parties or related organisations
- excessive gifts or entertainment intended to influence the recipient to undertake a particular course of action.

For the purpose of this Policy, a bribe may consist of anything of material value, not simply a payment of cash, and may include the provision or receipt of:
- lavish or disproportionate gifts and entertainment
- donations with an ulterior motive
- payment of travel expenses or accommodation for a customer or official when there is no underlying business purpose for a trip
- use of corporate assets for activities which are unrelated to our business or approved charitable purposes.
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Conflicts of interest can arise when financial or personal considerations may influence or appear to influence the judgment or actions of our employees in performing their duties, or have the potential to do so. Such conflicts can occur when private and company interests are mixed or when business or governmental decisions are based on private interests.

**Extortion** is defined as the illegal use of an official position or powers to obtain property or funds. **Fraud** can be defined as any deception deliberately practiced in order to secure unfair or illegal gain.

**The exercise of improper influence**

We will not, either directly or indirectly through intermediaries or other third parties, solicit, receive, offer, promise or provide money or anything of material value (including confidential or sensitive business and financial information and intellectual property) or otherwise exercise improper influence in our business or governmental relationships, with the intention of obtaining a contract, permit or any other specific benefit or any improper advantage in the conduct of business. This applies both to our relationships with governmental organisations and officials and in our dealings with other businesses or civil society organisations. We will not tolerate any such activity by our employees, agents, contractors or business partners.

The question of what constitutes 'material value' will vary according to context. It will be defined by:

1. The context of the potential inducement, and
2. Whether what is offered or promised has sufficient potential value to the recipient, whether monetary or by its nature, to potentially sway the recipient's opinions or actions.
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This Policy covers the soliciting and receipt of bribes or other inducements from third parties by Scaw employees as well as the provision and payment of bribes.

7. INTEGRITY IN THE COMPANY

Business & Financial Records
Ensuring the accurate and complete business and financial records is a responsibility shared by all employees, not just by the accounting and finance personnel. Accurate recordkeeping reflects on Scaw's reputation and credibility and ensures that Scaw meets its legal and regulatory obligations.

- Always record and classify transactions in the proper accounting period and in the appropriate account and department. Do not delay or accelerate recording of revenue or expenses to meet budgetary goals.

- Estimates and accruals must be supported by appropriate documentation and be based on best judgement.

- Ensure that all reports to regulatory authorities are complete, fair, accurate, timely and understandable.

- Never falsify any document.

- Do not distort the true nature of a transaction.

Never enable another person's efforts to evade taxes or subvert currency laws. For this reason, payments should only be made to the person or company that provided the goods or services. Payments should be made in the supplier's home country
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where it does business or where the goods or services are provided unless the supplier has legitimately assigned payment or sold its accounts receivables to another entity.

Employees must strive to be accurate when preparing any information for Scaw, but honest mistakes occasionally will happen. Only intentional efforts to misrepresent or improperly record transactions or otherwise to falsify a business record are violations of this Policy.

Company Assets
Employees are required to protect company assets and to use those assets in the manner intended. Company assets cannot be used for employees’ personal benefit or for the benefit of anyone other than Scaw. The use of company assets, such as premises, equipment or vehicles free of charge represents something of value for the intended recipient. Company assets should not be provided for the personal or discretionary use of customers, public officials or other third parties where there is no underlying proper business purpose or clear public benefit.

Use of Time, Equipment and Other Assets
- Do not engage in personnel activities during work hours that interfere with or prevent you from fulfilling your job responsibilities.

- Do not use Scaw computers and equipment for outside businesses, or for illegal or unethical activities such as gambling, pornography or other offensive subject matters.

- Do not exploit any opportunity for your personal financial gain that you learn because of your position at Scaw or through the use of Scaw property or information.
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Examples of Company Assets
• Company money
• Company products
• Employees time at work and work product
• Computer systems and software
• Telephones
• Wireless communication devices (3G)
• Company vehicles
• Photocopies
• Proprietary information

Use of Information
Scaw’s non public information which includes everything from contracts and pricing information to marketing plans, technical specifications and employee information must be safeguarded.

Non public information
Non public information must not be disclosed to anyone outside Scaw, including to family and friends, except when disclosure is required for business purposes. When disclosure is permissible, appropriate steps should be taken, such as the execution of a confidentiality agreement, to prevent misuse of the information.

Non public information should not be disclosed to others inside Scaw unless they have a business reason to know.

Employees are obligated to protect Scaw's non public information at all times, including outside of the workplace and working hours and even after employment ends.
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Company records must be retained or discarded in accordance with Scaw's record retention policies. The Legal & Company Secretariat Department may occasionally issue notices regarding the retention of records in the case of actual or threatened litigation or investigations by regulators. Employees must abide by the directions contained in these notices as failure to do so could subject Scaw and employees to serious legal risks.

What is non public information?
It is any information that Scaw has not disclosed or made generally available to the public. Examples include information related to:

- Employees
- Inventions
- Contracts
- Strategic & business plans
- Major management changes
- New product launches
- Mergers & acquisitions
- Technical specifications
- Pricing
- Proposals
- Financial data
- Product costs
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Privacy
Scaw respects the privacy of all its employees, business partners and customers. Scaw will handle personal data responsibly and in compliance with all applicable laws. Employees who handle the personal data of others must:

- Act in accordance with applicable law
- Act in accordance with any relevant contractual obligations
- Collect, use and process such information only for legitimate business purposes
- Limit access to information to those who have a legitimate business purpose for having sight of the information
- Take care to prevent unauthorised disclosure

Conflicts of Interest
Employees are required to act in the best interests of Scaw whilst employed by Scaw. A conflict of interest exists when an employee or relative of an employee has a personal financial interest that could be seen to have the potential to interfere with the employee's objectivity in the performance of his/her Scaw duties or exercising their judgment on behalf of Scaw. Any such interests on the part of an employee or relative are not permitted unless formally approved in writing by the Executive Head of Human Resources and the employee's direct manager.

It should be understood that conflict of interests referred to throughout this Policy may be direct or indirect (the interest might be that of the employee, that of another person such as a relative or friend of the employee, or that of an organization in which the employee or such other person has an interest); and

It is not possible to enumerate all situations which could constitute a conflict. The facts of each situation will determine whether there is a conflict of interest.
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Refer to the Conflicts of Interest Policy for additional guidance.

Gifts, Entertainment & Hospitality
The exchange of modest gifts and entertainment may help to build goodwill and this Policy is not intended to detract from the desirability of fostering good relations with business partners and other stakeholders through legitimate, occasional social interactions. However, offering or providing inappropriate gifts or entertainment may cause embarrassment to Scaw and damage our reputation. Particular concerns arise when the offering of gifts and entertainment may be connected in some way with an actual or potential business transaction or regulatory approval. Even if the intent is not corrupt, there is still a risk that a recipient or an objective third party may perceive the gift or entertainment to be an attempt to gain an improper advantage.

Any gift or entertainment is always unacceptable if it:
- is offered or made in exchange for a contract, a permit or any other specific benefit
- is offered to obtain an improper advantage in the conduct of business
- is in breach of local or international bribery laws
- would be considered unacceptable if offered by a supplier or business partner to one of our own employees
- would, if it became public, adversely affect our reputation

Receiving gifts, entertainment and hospitality
Scaw has a responsibility to ensure that our dealings with suppliers are based on objective decisions and are not influenced by gifts or favours. Scaw prohibits employees from soliciting or receiving gifts and entertainment including favours, goods, gratuities, money and services that:
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• may create a sense of obligation
• may create, or appear to create, a conflict between an employee’s personal interests and those of their employer or of the Scaw as a whole.

Refer to the Gifts Policy for additional guidance.

Safety of our people
Scaw employees should be free to carry out their duties without fear of intimidation or threat of violence. The safety and security of our employees is our paramount concern. We do not expect our employees to compromise their safety or security or that of others in order to comply with the terms of this policy. Employees should, however, immediately report any incident where they have been threatened or intimidated to carry out an act which may result in a breach of this policy to their direct manager. After appropriate internal consultation such incidents should also be reported to the relevant authorities in order to prevent any recurrence.

8. INTEGRITY IN DEALING WITH OTHERS

Scaw’s external relationships are critical to our success. We must deal fairly and lawfully with our customers, suppliers, competitors and government.

Dealing with Government officials and lobbying

Scaw promotes honest and constructive engagement with governments at all levels. Scaw will consult widely with people who are affected by our activities and we will proceed in our dealings with governments and public officials in a transparent and ethical way. Scaw will not, either directly or indirectly through intermediaries and other third parties, offer, promise or provide money or anything of material value or otherwise seek to exercise improper influence in our business relationships, with the
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intention of obtaining a contract, permit or any other specific benefit or any improper advantage in the conduct of business. This applies both to our relationships with governmental organisations and officials and in our dealings with the private sector. We will not tolerate any such activity by our employees or business partners.

Facilitation Payments

Scaw prohibits the making of facilitation payments. A facilitation payment is a payment of nominal value made to a low level government official whose duties are essentially administrative in nature in order to secure the performance of routine governmental non-discretionary actions to which the payer is legally entitled. Examples of such payments include for the processing of a visa application or connecting power or water supplies, when all relevant requirements have clearly been met.

Scaw recognises that occasionally payments may be demanded under duress. Duress may be defined as a situation of actual or threatened violence, imprisonment or other personal threat to coerce persons to enter into an agreement or to do an act against their will. The threat may be to the person themselves or to others. Scaw does not expect any employees to compromise their safety or security or that of others in order to comply with our Policy, but Scaw does require employees to report any incidence to their direct manager where they have been threatened or intimidated so that appropriate action can be taken to prevent any recurrence.
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Political Donations
Scaw prohibits the making of donations for political purposes to any politician, political party or related organisation, an official of a political party or candidate for political office in any circumstances either directly or through third parties.

Dealing with customers and suppliers
Scaw values its partnerships with its customers and suppliers.
Scaw will deal fairly with its customers and suppliers, treating them honestly and with respect.

- Employees must not engage in unfair, deceptive or misleading practices
- Employees must always present Scaw's products in a honest and forthright manner
- Employees are prohibited from offering, promising or providing anything to a customer in exchange for an inappropriate advantage for Scaw.

Scaw expects that its suppliers will take no action contrary to the principles of this Policy.

Dealing with Competitors
Scaw takes care to compete fairly and will take steps to comply with applicable competition laws in the jurisdictions that it operates. These laws are often complex and vary considerably from country to country- both in the scope of their coverage
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and their geographic reach. Conduct permissible in one country may be unlawful in another. Penalties for violation can be severe.

Accordingly, Scaw has adopted a competition law manual and offers competition law training periodically. Employees are also encouraged to consult the Legal & Company Secretariat Department for further guidance, if necessary.

Competitive Intelligence

Employees are encouraged to collect, share and use information about Scaw's competitors but to do so only in a legal and ethical manner. Just as Scaw values and protects its own non public information, Scaw respects the non public information of other companies.

Acceptable Intelligence Gathering

It is acceptable to collect competitive intelligence through publically available information or ethical enquiries. For example, you may gather and use information from sources such as:

- Publicly available filings with government agencies
- Public speeches of company executives
- Annual reports
- News and trade journal articles and publications
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Prohibited Activities

The following basic restrictions apply to Scaw's ability to gather competitive intelligence:

- Employees must not engage in any illegal or illicit activity to obtain competitive information. This may include theft, trespassing, evesdropping, wiretapping, computer hacking, invasion of privacy, bribery, misrepresentation or searching through trash.

- Employees must not accept, disclose or use competitive information that they know or have reason to believe that was disclosed to them in breach of a confidentiality agreement between a third party and one of Scaw's competitors.

Refer to the Legal & Company Secretariat department for additional guidance, if necessary.

Dealing in charitable donations and social and community investment and enterprise development activities

Scaw makes charitable contributions and social and community investments with the objective of promoting sustainable community development, combating poverty and disease, protecting the environment and developing the capacities of people or institutions in the countries where we work. Scaw takes care, however, that such donations do not work primarily to the benefit of a particular government official, politician or party and put controls in place to ensure that they are not misused by third parties. Donations and social and community investments should not be made if they either create or have the potential to create, the perception of impropriety. In
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our dealings with communities and their representatives we will act transparently and in good faith.

Dealing in Sponsorships
Sponsorship may not be promised, offered or provided in exchange for a contract, permit or specific regulatory benefit. It should not be offered to obtain an improper advantage in the conduct of business or if it is likely to be perceived as having this intention.

Refer to the Sponsorships Policy for additional guidance.

Dealing in the retention and payment of intermediaries, mergers and acquisitions, joint ventures and associates
Scaw's reputation can be damaged by the actions of third parties such as advisers, suppliers, agents, contractors, lobbyists and joint venture partners and Scaw may find itself liable for their actions. It is never acceptable for a third party to carry out an act on Scaw's behalf which, were it done by Scaw directly, would be a breach of this policy.

In order to protect against the risk of bribes being paid indirectly, Scaw is committed to:

• taking all reasonable steps to ensure that our business partners understand and comply with our Business Integrity Policy
• investigating the reputation and qualifications of our business partners and carrying out formal due diligence, where appropriate, to satisfy ourselves of their integrity and bona fides putting in place appropriate controls and checks to monitor the use of Scaw's money by third parties purporting to act on our behalf
• ensuring that joint ventures and associate companies have equivalent processes in place
Scaw is committed to thoroughly investigating the background, reputation, ethical and cultural values of any company we invest in or acquire and any partner with which we decide to enter into a joint venture, and of the nature of investments we thereby inherit.

9. GUIDANCE

Acting ethically often amounts to being able to choose the correct decision or course of action when faced with a number of conflicting alternatives. Accepting responsibility and accountability for the decision to be taken – and later being able to justify why it was taken, with adequate proof that the decision was ethical when it was taken – is what makes ethics in business so critically important and this is especially true when someone else may have to make a judgment call on an ethical conduct at a later stage; and

In general terms, many personal ethical dilemmas can be solved by breaking down the problem into components, through asking a number of ethical questions to put the decision which must be made into perspective, so that it can be considered objectively. There will be times when these guidelines do not address the specifics of a situation. If unsure, obtain guidance from your direct manager or the Legal & Company Secretariat Department.

10. CONSEQUENCES OF NON-COMPLIANCE WITH THIS POLICY

Any employee who violates or fails to comply with this Policy will be subjected to disciplinary action in accordance with Scaw’s disciplinary procedures. Disciplinary action may involve sanctions up to and including summary dismissal and where appropriate instances of corruption and other forms of dishonesty will be reported to the relevant
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authorities. Furthermore, Scaw may facilitate criminal action against the employee/s concerned and redress will be sought for any losses arising from such actions.

11. REPORTING

Speakup is the brand name for the Scaw’s whistle blowing facilities. These facilities are operated and managed by an organisation called Tip-offs Anonymous, which is entirely independent of Scaw. The whistle blowing services that Tip-offs Anonymous provide Scaw legally protects the anonymity of each person making a report. This is a unique and innovative solution available to an employee, customer, supplier, manager or shareholder to report dishonesty, fraud and other inappropriate behaviour in the workplace, operating 24-hours a day, 365 days a year in a safe, confidential and secure way.

All indications as to the identity of a caller are removed from information received before submission to designated persons in Scaw.

The focus is on the information you may have - not your identity!

How does Speakup work?

Tip-offs Anonymous' trained operators will answer telephone calls in English, isiZulu, Afrikaans, isiXhosa and seSotho on a 24-hour basis, every day of the year. Alternatively, a caller can use email, FreePost or Freefax. Tip-offs Anonymous will protect the identity of the person making the report and will not require the caller's name and will sanitise all traces that may identify the caller.
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What should one report?

Any conduct that is contrary to the following which includes:

• Failure to comply with any legal obligation;
• Danger to the health and/or safety of employees and contractors;
• Damage or threat of damage to the environment;
• Criminal offences, including money laundering, fraud, bribery and corruption;
• Accounting, internal accounting controls, financial reporting and auditing matters;
• Miscarriage of justice
• Deliberate concealment relating to any of the above.

Any person in the world, including employees, service providers and suppliers, who have important information about unethical practice in Scaw or its subsidiaries, is welcome to make use of any of the Speakup facilities.

Speakup Contact Details

• FreeCall phone: 0800 003 309 Pay phone: 031 571-5408
• email address: scaw@tip-offs.com
• FreePost: Speakup, Freepost KZN 138, Umhlanga Rocks 4320 (to which you can mail letters and other relevant documentation)
• FreeFax: 0800 00 77 88 Pay Fax: 031 560 7395
12. MONITORING AND AMENDMENTS TO THIS POLICY

This Policy will be reviewed annually to ensure compliance with applicable changes to laws and regulations.

Scaw reserves the right to

- determine how this Policy applies to any particular situation and will do so in a manner that upholds Scaw’s values and promotes transparent and ethical conduct.
- to amend or modify this Policy as it deems appropriate. All amendments made by Scaw to this Policy will be communicated to employees.