



BUSINESS CONDUCT AND ETHICS

POLICY STATEMENT

It is the policy of California Steel Industries, Inc. that all employees must conform to ethical and legal standards to abide by the law and to preserve the company's integrity and reputation.

POLICY

- 1.0. Every employee is prohibited from partaking in any activity or association that creates, or appears to create, a conflict between the employee's personal interests and the company's business interests.
- 2.0. Employees must not allow any situation or personal interests to interfere with the exercise of independent judgment or with that employee's ability to act in the best interests of the company.
- 3.0. Employees should perform no work outside of the company (other employment, volunteer work, etc.) that would put them in a position which would diminish their ability to give full time attention competence to their duties with the company.
 - 3.1. Employees should not use the facilities or identification with the company (i.e. address, phone number, business card) to carry on their private business.
 - 3.2. There should be no possibility that an employee's outside employment might adversely reflect on the company.
 - 3.3. Outside employment should not be done, directly or indirectly, for a competitive or potentially competitive organization.
 - 3.4. Outside employment should not utilize or infringe upon available company information, equipment, facilities, human resources, or technology.
 - 3.5. Outside employment should not conflict with scheduled hours, overtime hours when required, or the performance of company assignments.
- 4.0. Employees are prohibited from investing in any of the company's customers, suppliers, or competitors unless the securities are publicly traded and the investments are on the same terms available to the general public. This prohibition applies to all kinds of investments and to all employees and their immediate families. In general, employees should not have any financial interest in a customer, supplier, or competitor that could cause divided loyalty, or even the appearance of divided loyalty.
 - 4.1. Employees are prohibited from placing any CSI business with a company owned or controlled by the employee or family of the employee.
 - 4.2. Employees are prohibited from accepting a loan or a guarantee of a loan from any individual doing or seeking to do business with CSI.
- 5.0. It is not permissible to give, offer, or promise anything of value for the purpose of influencing someone in connection with company business or a company transaction. Similarly, it is not permissible to solicit, demand, or accept anything of value with the intent of being influenced or rewarded in connection with any company business or transaction. Therefore, no employee may give or receive any gift if it could reasonably be viewed as being done to gain a business advantage.



BUSINESS CONDUCT AND ETHICS

- 6.0. Employees have an ethical duty not to disclose confidential information gleaned from business transactions and to protect confidential relationships between the company and its customers, suppliers, and shareholders.
 - 6.1. Business information that has not been made public shall not be released to private individuals, organizations or government bodies unless demanded by legal process such as a subpoena or court order.
 - 6.2. Employees should not use confidential information obtained in the course of their employment for the purpose of advancing any private interest or personal gain.
 - 6.3. Employees should refer any requests for information (reference checks, credit reporting, etc.) about present or former employees of the company to the Human Resources department.
- 7.0. All information, reports and records, including financial accounts and statements, whether for internal purposes or third-party dealings, must be maintained in a timely manner, in reasonable and appropriate detail, and must accurately and honestly reflect the business transactions of the company.
 - 7.1. All Company financial transactions and fund expenditures must follow established policies and procedures. Illegal appropriation of Company funds or property will not be tolerated.
 - 7.2. Financial information must conform to internal procedures and policies, and to generally accepted accounting procedures (GAAP), and to any other applicable laws and regulations, such as those of the Internal Revenue Server and the Securities and Exchange Commission.
 - 7.3. The company will pay only those agents with whom it has a formal written agreement and from whom it has an invoice detailing the amount to be paid.
 - 7.4. Company policy forbids falsifying, distorting, altering or non-disclosure of Company records, including, but not limited to, employee applications, time cards, and production reports. (See CPS No. 302.01).
 - 7.5. Employees are forbidden to use, directly or indirectly, corporate funds or assets for any unlawful purpose or to accomplish any unlawful goal.
- 8.0. This policy is not comprehensive in detailing all possible examples of ethical behavior. The company encourages all employees to come forward with questions on this policy, or the conduct of other employees as it relates to ethical behavior. Each employee has a responsibility to promptly report any circumstance that he or she believes in good faith may constitute unethical or fraudulent behavior, including, but not limited to the provisions of this policy or of any other policy of the Company.
 - 8.1. Questions or allegations of unethical or fraudulent behavior by Company employees, contractors, vendors, tenants or other associates should be reported immediately.
 - 8.2. Questions or allegations may be reported directly to the employee's department management, Human Resources management, or any Company officer (President/CEO or Vice President level).



BUSINESS CONDUCT AND ETHICS

- 8.3. The Company has also established an anonymous Ethics and Compliance Hotline to report unethical or illegal activity, to review suspected activity with a compliance officer, or to obtain other advice about ethical or legal considerations.
 - 8.3.1. The Ethics and Compliance Hotline is available 24 hours a day, seven days week, and includes both toll-free telephone and web-based reporting options.
 - 8.3.2. The Ethics and Compliance Hotline is also available to any person reporting unethical or illegal activity within the Company, including but not limited to, vendors, customers and temporary employees.
- 8.4. Any allegations of potential violations of this Policy which are reported to members of the Company's management personnel or to the Ethics and Compliance Hotline must be forwarded immediately to the Assistant(s) to the President, Internal Audit, the Vice President, Administration, and the President/CEO, who will refer the report of potential allegation to proper Company personnel for investigation.
 - 8.4.1. The Assistant to the President, Internal Audit is responsible for documenting the circumstances and outcome of the investigation.
- 8.5. Reporting procedures and contact information will be communicated to all employees, vendors and customers on a regular basis, or as may be required by any procedural change.
- 8.6. Any individual who contacts the Company directly or the Ethics and Compliance Hotline will be protected from any form of retaliation for making a report they believe in good faith is truthful.
- 9.0. A copy of this policy will be included in the Employee Handbook. Each employee will sign an agreement to read, understand, and comply with this policy, as well as all other policies of the Company.