

# **POLICY OF CONFLICT OF INTERESTS AND TRANSACTION WITH RELATED PARTIES**

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## 1. Purpose

The Policy of Conflict of Interest and Transactions with Related Parties (“Policy”) establishes the guidelines of integrity and complement the dispositions on the conflicts of interests contained in the Code of Ethics and Conduct of **Group Usiminas**, with the purpose to eliminate or mitigate every concrete or apparent situation that may result in conflict.

This Policy shall not prevent the execution of transaction with Related Parties, provided that carried out in the best interest of **Group Usiminas** and with due regard to the Bylaws and applicable legislation.

## 2. Area of Application

The procedures provided for in this Policy applies to all Collaborators of the companies part of **Group Usiminas** and Agents.

Its application includes all activities performed by **Group Usiminas** in Brazil and abroad. In the invested companies which are not controlled by **Usiminas**, **Usiminas** shall endeavor its best efforts to adopt policies and practices aligned with this Policy and other **Usiminas’** policies.

## 3. Definitions and Abbreviations

**Open Channel:** space for sending information, complaints and doubts about the Integrity Program and any practices in violation of Code of Ethics and Conduct or the policies of Group Usiminas.

**Collaborator:** includes all the employees, managers, officers, members of the committees (statutory or not) and fiscal council, apprentices and interns of **Group Usiminas**, regardless of the position or duty exercised.

**Group Usiminas:** includes Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas and all of its controlled companies.

**Close Relative:** means and includes, in relation to a person, his or her spouse or domestic partner, consanguineous or related, in a straight line (ascending or descending) or collateral, up to the second degree of kinship.

**Agents:** any individual that is not a Collaborator or legal entity that is not part of **GROUP USIMINAS**, but that is contracted or subcontracted to represent or act on behalf of **GROUP USIMINAS**.

## 4. Guidelines on the conflicts of interest

### 4.1 General Rules

It is the duty of all the Collaborators to act, in an impartial, honest and professional way, viewing the best interest of **Group Usiminas**, regardless of any external influence or of personal nature, in the development of its daily professional activities. The professional and commercial decisions shall be based on objective criteria, in the Code of Ethics and Conduct and in the policies of **Group Usiminas**.

In its relationship with customers, suppliers, subcontractors, commercial and non-commercial intermediaries and competitors, Collaborators must prioritize the interests of **Group Usiminas** in any situation that may lead to real or potential personal benefit to itself or any of its relatives, close person or associated. Therefore, no Collaborator shall act with personal interests to the detriment of the interests of **Group Usiminas**.

*Definition of conflict of interest:* It is the situation that occurs when, in the exercise of his/her duties, a Collaborator may be influenced by private interests or interest different from those of **Group Usiminas**, even if they are converging, or that may interfere in his/her impartial judgment. Investments in equity or debt securities quoted on the stock exchange are excluded from the notion of "interest" if they do not exceed five per cent (5%) of the capital or the issue of debt, except if such equity percentage grants the right to appoint members of the administration or any other controlling right or relevant influence, understood as the influence by which the investor holds or exercises the right to participate in the financial and operational policies of the invested company.

For clarification purposes, a conflict of interest may arise when the performance of the duties of a Collaborator may be influenced in any form by (a) the family or business relationship with other Collaborators of **Group Usiminas**, (b) the interests that the Collaborators his family could have in relation to any individual or legal entity that contracts with **Group Usiminas** (customers, suppliers of goods and services, subcontractors) or that, even without contracting with them, has any interest opposite to **Group Usiminas** (including competitor) or (c) for any other relationship that may prevent the Collaborator from working and satisfying, mainly, the interest of **Group Usiminas**.

The Collaborators must not act in disagreement with the purposes and interests of **Group Usiminas**, nor assume conducts that may negatively affect the trust of the clients, of third parties and of the other Collaborators in the integrity and in the values of **Group Usiminas**.

All the Collaborators must observe the potential configuration of a conflict of interest in the conduct of their activities.

**Examples:**

- x Disclosure or making use of privileged information of which he/she is aware due to his/her position, for his/her own benefit or of a related third party.*
- x Working for, provision of consulting services or provision of any kind of technical advisory, even if out of the working hours, to a competitor company or to a hired company of **Group Usiminas** (except for **Usiminas'** controlling shareholders as far as it is compatible with the bylaws, the applicable Policies and regulations).*
- x Contracting a third-party family member or company belonging to a third-party family member, disrespecting this Policy.*

If there are doubts as to the definition of the situation of conflict or in case of a suspected situation of conflict of interests involving another Collaborator in detriment of the interests of **Group Usiminas**, the Department of Integrity shall be informed directly or through the Open Channel.

## 4.2 Specific Cases

The cases presented below represent situations of Conflict of Interests, actual or apparent. The cases are merely examples, any suspected situation of conflict shall be informed, even if it does not fit into any one of the situations listed below.

### 4.2.1 Equity Interest

Except as otherwise provided in the definition of “Conflict of Interests” above, the equity interest, directly or indirectly, of the Collaborators of **Group Usiminas** as owner, shareholders or investor in companies or entities that do business or intend to do business with **Group Usiminas** and with competitors that represent high possibility of conflict of interests.

Such equity interests shall be communicated to the Department of Integrity and the contracting of the companies referred to above shall observe the procedures provided in the Policy of Relationship with Agents.

### 4.2.2 Restrictions to external jobs, positions or functions

As a general rule, the Collaborators of **Group Usiminas** may not exercise typical functions of employee, manager, director, officer, advisor or any other form of employment relationship, formal or informal, including in the condition of third party or intermediary, in companies or entities that do business or intend to do business with **Group Usiminas**. The Collaborators may not hold any kind of position or function for competitors of **Group Usiminas**, even if through a legal entity or for free.

The restriction above does not apply to Collaborators working for **Group Usiminas** and who were indicated by the controlling shareholders of Usiminas to occupy such positions in **Group Usiminas** and still hold any relationship with companies of the controlling shareholders doing

or intending on doing business with **Group Usiminas** (for example, members of the Board of Directors and the members of its advisory Committees who have been appointed by the controlling shareholders, as well as the persons nominated and sent by the controlling shareholders pursuant to Section 4.10(e) of the Shareholders Agreement) as long as this relationship is duly reported to **Usiminas** and that during the performance of their activities within **Group Usiminas**, they always act in the best interest of **Group Usiminas**.

#### 4.2.3 Work relationship and hierarchical links with Family Members or close people

The existence of Close Relatives of a Collaborator that might interact with **Group Usiminas** may represent conflict of interest and, therefore, demands more care.

If the Collaborator has any Close Relative that works in clients, suppliers, competitor or **Group Usiminas** itself, the Collaborator shall forward the relative information of his Close Relatives to the Integrity Department.

Hierarchical relationships between Close Relatives are forbidden. Relationships of between Close Relatives in areas non-hierarchically linked to each other are allowed, and the Collaborator shall abstain from participating in processes related to the other, as contracting, progression, promotion or dismissal.

#### Examples:

- X If a Close Relative is interviewed for a position at a company of **Group Usiminas**, the related Collaborator shall not be able to participate in resolutions related to the selection process, with due regard to section 4.3 below.*
- X Maintain relationship of subordination, directly or indirectly, with a Close Relative.*

Every Collaborator shall analyze the need to also notify affectionate close bonds or of friendship that may affect his/her judgment or discourage him/her to act, in the exercise of his/her functions, for the benefit of the exclusive interest and benefit of **Group Usiminas**. In case of any doubt as to the configuration of a potential conflict of interest, the Collaborator shall communicate the bond.

#### 4.2.4 Corporate opportunities

In the performance of their functions, the Collaborators may have access to sensitive and strategic information of interest of **Group Usiminas**, as well as, come to know, identify or be in favorable conditions to the development of potential transactions or businesses.

In these cases, the Collaborators of **Group Usiminas** shall exercise their functions in the best defense of the interests of **Group Usiminas**, by submitting the corporate opportunity to the competent area and refusing to receive a personal benefit granted by people with the purpose to do or to try to do business with the **Group Usiminas**.

The Collaborators shall also abstain from taking personal opportunities that are exclusive to the scope of the activities of **Group Usiminas**, use goods or information of the **Group**

**Usiminas**, or pertaining to their position, to obtain personal gains, as well as not being able to compete with **Group Usiminas**, except if otherwise authorized by the **Group Usiminas**.

In case of doubt as to the characterization of a corporate opportunity, the Collaborators shall contact the Department of Integrity for the due clarification.

#### 4.2.5 New Businesses

Potential conflicts of interests shall be assessed considering the evolution of the business of **Group Usiminas** by means of the acquisition of companies or creation of new lines of business. A previously existing legitimate situation may ensue a conflict of interests throughout the time of this evolution.

The Collaborators of **Group Usiminas** may not exercise any kind of extra/additional professional activity in aid of people and/or companies who are clients, partners, competitors or suppliers of **Group Usiminas**.

Notwithstanding the above, Collaborators working for **Group Usiminas** and who have been appointed by the controlling shareholders of Usiminas to occupy such positions in **Group Usiminas** and who still have some relationship with companies of the controlling shareholders doing or wishing to do business with **Group Usiminas** (for example, members of the Board of Directors and the members of its advisory Committees who have been appointed by the controlling shareholders, as well as the persons appointed and sent by the controlling shareholders pursuant to Section 4.10(e) of the Shareholders Agreement) may perform their functions as long as their relationship is duly reported and that during the performance of their activities within **Group Usiminas**, they prioritize **Group Usiminas'** best interest.

#### Examples:

- x Collaborators may not become partners or managers of a recently incorporated company that is consolidating itself as a competitor of **Group Usiminas** or of its Related Parties.*

#### 4.2.6 Transactions with Related Parties

The concept of "Related Parties" is the one defined in the Bylaws of **Usiminas**, as amended from time to time.

Any transaction involving Related Parties shall observe the rites of approval established in the Bylaws of **Usiminas**, as amended from time to time.

#### 4.3 Conduct in case of conflict of interests

In any case of a situation of conflict of interests, not restricted to the cases previously presented, the Collaborator shall inform in writing his/her hierarchical superior of managerial level about the existing conflict, as well as, if applicable to his/her position or to the body he/she belongs abstain from voting on its deliberation. If the Collaborator does not manifest his/her conflict of interests, any other person may do it, through the Open Channel.

If the hierarchical superior of managerial level considers that such conflict of interests exists or may come to exist, he/she shall take decisions deemed appropriate for **Group Usiminas'** interests. If the case is complex, the hierarchical superior of managerial level shall submit it to the chief of the area and, the chief of the area to the Department of Integrity. Decisions shall be notified in writing to the Collaborator and to the Human Resources Department for the record of the Collaborator's historical.

Any change to the professional profile of the Collaborator of **Group Usiminas** shall be immediately notified, in writing, to his/her immediate superior and to the Department of Human Resources, in order to evaluate if the change may lead to conflicts of interest between the Collaborator and **Group Usiminas**.

**Examples:**

- ✓ *Collaborator was elected or is a candidate for a public office,*
- ✓ *Collaborator became partner or owner of a company,*
- ✓ *Collaborator came to occupy position of administration of a company,*
- ✓ *Any change in the situation of the Collaborator that implies a new situation of real or potential conflict.*

#### 4.4 People with relevant influence on the administration

Members of the Board of Directors, Officers, members of the Committee of Audit and Integrity, members of the Committee of Conduct, members of other committees (statutory or not) or members of the Fiscal Council of **Group Usiminas** shall immediately express their conflict of interest whenever it exists, whose conflict and manifestation shall be registered in the minutes of the respective corporate body meeting. If any such given person does not manifest his/her conflict of interests, any other member of the corporate body to which it belongs and that is aware of the situation may do so.

#### 4.5 Flow of actions in case of suspected or confirmed conflict of interests

1. Immediately report the fact to the hierarchical superior of managerial level and/or to the Department of Integrity, directly or through the Open Channel of made available by **Group Usiminas**;
2. Interrupt any action or abstain from beginning any action under its responsibility that may result or aggravate eventual conflict of interests; and
3. Abstain from using his/her influence, professional or personal, to incentivize **Group Usiminas** to proceed forward in internal procedures that might be influenced by conflict of interests, either apparent or actual.

Notwithstanding the above, in case of any transaction involving, on one side, and company of **Group Usiminas**, and, on the other side, any general manager or non-statutory officer of any company of **Group Usiminas**, any Close Relative or any company controlled by him/her or by his/her Close Relative, the transaction shall be resolved by the respective Board of Officers of the involved company of **Group Usiminas**.



## 5. Sanctions

The non-compliance of the precepts described in this Internal Policy justifies the imposition of disciplinary measures and remediation provided in the Code of Ethics and Conduct of **Group Usiminas**.

## 6. Measures of prevention, mitigation and management of conflicts of interest

- ✓ Trainings effected by the Department of Integrity focused in the Code of Ethics and in the Internal Policy on Conflicts of Interests;
- ✓ Periodic update of the registration of the Collaborators of **Group Usiminas** by the Management of Human Resources to obtain information on possible changes to their personal and/or professional profile;
- ✓ Application of the Questionnaire of Conflict of Interests (ATTACHMENT 1) at the moment of the contracting of new Collaborators and whenever there is a change in their professional situation within **Group Usiminas** (promotion, internal reallocation, transfer to work in another company of the Group).

**ATTACHMENT 1: Questionnaire of Conflict of Interests**

QUESTIONNAIRE OF CONFLICT OF INTERESTS	
Name:	
Position:	Area Responsible:
Do you know if any of your <b>Close Relatives</b> is a Collaborator of Group Usiminas?	
<input type="checkbox"/> YES	<input type="checkbox"/> NO
If yes, please, provide the name, the position and the company in which your <b>Close Relative</b> acts.	
Do you know if any of your Close Relative is a Collaborator or has equity interest, directly or indirectly, in company(ies) with business or agreements entered into with Group Usiminas, or that potentially may be entered? (Investments in equity or debt securities quoted on the stock exchange are excluded if they do not exceed 5% of the capital or the issue of debt).	
<input type="checkbox"/> YES	<input type="checkbox"/> NO
If yes, please, provide the name of the Close Relative, the fields of activity of the company, the contracting parties and the term of effectiveness of the agreement.	
Do you know if any of your Close Relative exercises the function of director, officer or manager at the companies mentioned in the previous question?	
<input type="checkbox"/> YES	<input type="checkbox"/> NO
If yes, please, provide the name of the Close Relative, the position and the name of the company.	
The Collaborator exercises any kind of professional activity related to the people and/or companies who, according to your knowledge, are Collaborators, possible clients, partners, competitors or suppliers of <b>Group Usiminas</b> ?	
<input type="checkbox"/> YES	<input type="checkbox"/> NO
If yes, please, provide the name of the people or company, fields of action, contractual parties and term of effectiveness of the agreement.	

The Collaborator has corporate interest, directly or indirectly, in company that, according to your knowledge, has business or agreements executed with **Group Usiminas** or that may potentially be executed? (Investments in equity or debt securities quoted on the stock exchange are excluded from the concept of 'interest' if they do not exceed five percent (5%) of the capital or the issue of debt, except if such equity percentage grants the right to appoint members of the administration or any other controlling right or relevant influence, understood as the influence by which the investor holds or exercises the right to participate in the financial and operational policies of the invested company).

**YES**

**NO**

According to your knowledge, you are involved or might be involved in any other relation or situation of conflict of interests that has not been contemplated in the previous questions?

Place (city and state) and date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_