

CODE OF ETHICS AND BUSINESS CONDUCT

A Code of Ethics cannot substitute for a sense of honesty, fairness and decency. Ultimately, the ethical conduct of the affairs of South American Iron & Steel Corporation Limited (the “Company”) depends upon the understanding and judgement of its staff.

Throughout this Code where actions, conflicts, etc. of a staff member are referred to, "staff member" shall be read to include the companies or trusts substantially owned or controlled by the staff member or direct relatives, executive Directors and, where the context permits, non-executive Directors, managers and all other staff engaged either on a contract of employment or a salaried basis.

OBJECTIVE OF THE CODE

To ensure that:

- High standards of corporate and individual behaviour are observed by all staff members in the context of their employment with the Company;
- Staff members are made aware of their responsibilities to the Company under their contract of employment; and
- All persons dealing with the Company whether it be staff members, shareholders, suppliers, customers or competitors can be guided by the stated policies of the Company.

All staff members should comply with the following standards of conduct.

1. COMMITMENT TO THE CODE

The Company is committed to conducting its business in a way that is open and accountable to shareholders, staff members, customers, suppliers, creditors, consumers and the broader community. We believe our corporate governance practices as a listed company are rigorous and of a high standard.

Staff members are under an obligation to the Company not to place themselves or allow themselves to be placed directly or indirectly in a position where their private interests conflict or could conflict with their responsibilities to the Company. Accordingly, staff members may not use their positions, the Company's assets or confidential information gained in connection with their employment for personal gain or for the benefit of a family member or any outside party.

Staff members must act with high standards of honesty, integrity, fairness and objectivity in all aspects of their employment with the Company. Violation of the Code by any staff member, or unethical behaviour, which may affect the reputation of the Company, may be subject to disciplinary action including termination of employment.

2. COMPANY'S RESPONSIBILITIES TO SHAREHOLDERS AND FINANCIAL COMMUNITY

It is Management's task to achieve and the Board's role to oversee the delivery of shareholder value through the sustainable and efficient operation of the company, sound reporting and risk management practices and exemplary compliance with the continuous disclosure regime. The mechanisms to achieve this include the risk management policy, the Audit, Remuneration and Nomination Committee and the Board's oversight of strategic and business objectives.

The Company has high standards of service, and it is committed to fair value, fair dealing and fair trading.

ACCURACY OF RECORDS AND REPORTS

All data created and maintained by the Company's staff members must accurately reflect the underlying transactions and events. Falsifying, concealing, altering, destroying or otherwise tampering with information, or creating misleading information will not be tolerated by the Company, and may also be illegal.

We will comply with all applicable accounting and financial reporting rules, laws and regulations where we operate.

All transactions must be properly authorised and accurately and completely recorded.

There is never a justification for falsifying records or misrepresenting facts. Such conduct may constitute fraud, and can result in civil or criminal liability for you and for the Company.

USE OF THIRD PARTIES

Before entering into any relationship with a third party, appropriate enquiries must be made in selecting and engaging a third party.

The necessary enquiries will vary depending on the nature of the proposed relationship, but will typically determine, among other things, whether:

- The third party is reputable, competent and qualified to perform the work for which they are being hired.
- The compensation sought is reasonable.
- The proposed arrangement complies with all applicable legal requirements.
- There is any conflict of interest that would make engagement of the third party inappropriate (for example, an outside interest or association of the responsible Company person with the third party or the third party is a government official or a close relative of a government official).

It is recommended that third parties are engaged through a formal contract.

The performance of a third party must be monitored and assessed.

The third party must be given a copy of the Code and our expectations clearly explained to them.

The policies and standards contained in the Code must never be waived. Any breaches of the Code or any behaviour that is inconsistent with the Code by third parties must be reported to your supervisor or manager, who will determine what action may be necessary.

3. COMPANY'S APPROACH TO THE COMMUNITY

The Company understands that our business can potentially impact local communities. We seek to work with relevant stakeholders, and especially those most affected by our operations, to identify and address their concerns and expectations. We value local community knowledge and perspectives.

4. COMPANY'S RESPONSIBILITY TO THE INDIVIDUAL

The Company will only collect and retain personal information that is necessary to meet business requirements, and as permitted by law in places where we operate.

It will not use or disclose such information for any purpose other than the purpose for which it is collected.

Data, information or electronic communications created or stored on Company computers or other electronic media, including personal information, are Company records and are, therefore, the Company property.

COMPANY CONFIDENTIALITY

Apart from concern for the privacy of staff members, the Company also operates in a competitive business environment. Consequently, it would be inappropriate for the Company to disclose information, which if published, might impair its own effectiveness and competitiveness.

Accordingly, Company documents such as circulars, manuals, records and internal communications materials, especially materials marked "Confidential", must never be shown to outsiders without proper authorisation. Care should be exercised in conversations about the Company with outsiders or with fellow staff members in public places. In conversations, including, on the telephone, care must be taken to prevent outsiders from overhearing confidential personal information.

Information should not be divulged over the telephone unless the identity of the caller and his or her right to receive the information are definitely established. Particular care should also be taken in answering enquiries and data given must be limited to that permitted by standard Company practice. Appropriate legal advice should be obtained where doubt exists.

The obligation of staff members to safeguard the privacy of fellow members of staff and to protect the confidentiality of the Company's own affairs continues with equal force if the staff member leaves the service of the Company.

5. COMPANY'S EMPLOYMENT PRACTICES

EQUALITY IN EMPLOYMENT

All staff members and applicants for employment will be treated and evaluated according to their job-related skills, qualifications, abilities and aptitudes. Decisions based on attributes unrelated to job performance (for example, race, colour, gender, religion, personal associations, national origin, age, disability, political beliefs, marital status, sexual orientation, and family responsibilities) constitute unlawful discrimination and

are prohibited.

ALCOHOL, DRUG AND TOBACCO USE

Workplaces are to be free from the use of alcohol and illegal drugs and the misuse of legal drugs or other substances. At some sites smoking is permitted in designated smoking areas. To prevent exposure to passive smoking a designated smoking area must be clearly identified, sealed off from any adjacent areas and properly ventilated.

Repeated poor work performance caused by alcohol or drug use, or impairment that creates a safety risk, may amount to misconduct.

HARASSMENT

Staff members must never engage in actions or behaviours that entail harassment or bullying.

Harassment is an unwelcome action, conduct or behaviour that a reasonable person would find unwelcome, humiliating, intimidating or offensive.

Bullying is repeated behaviour directed towards an individual or group of individuals that is unreasonable and creates a risk to health and safety.

Harassment and bullying are illegal in many countries and may lead to penalties for individuals and for the Company.

PROTECTING THE COMPANY ASSETS

The Company assets may include property, time, proprietary information, corporate opportunities and funds, as well as equipment used by individuals, such as mobile phones and computers.

Appropriate precautions should be taken to prevent theft, damage, misuse or intentional damage of such assets. This includes not allowing the Company resources to be destroyed, disposed of, sold, loaned or donated without appropriate approvals, unless the items are of nominal value and can no longer be used by the Company.

INSIDER TRADING

In general terms, inside information is material information about a company that is not generally available to the public. Whether information is material is judged by whether it would affect a reasonable investor's decision about whether or not to invest in the company.

It is a criminal offence to use inside information to buy, sell or otherwise deal in securities.

It is also a criminal offence to encourage insider trading or to disclose inside information with a view to others profiting from it.

BUSINESS TRAVEL

The Company seeks to provide those travelling for Company purposes with a reasonable level of service and comfort that is cost-effective and convenient, and that protects the health and safety of the traveller. The Company will cover the cost of moderate expenses incurred provided that valid invoices or records are supplied.

All business travel bookings, where possible, should be made through the Company's contracted travel provider using preferred carriers, hotels, ground transport services and car rental companies. This process helps deliver a service to the Company that is cost-effective, efficient and meets the Company's safety criteria. It also helps the Company to locate all travellers in the event of an emergency.

All travel should be economy/coach class, unless one leg of the journey has a continuous flight of more than three hours (in which case, business class can be booked) or the terms of your employment specify otherwise.

A business trip can be extended by personal travel, providing this is explicitly approved by your manager in advance of the trip.

6. COMPANY'S APPROACH TO BUSINESS COURTESIES, BRIBES, FACILITATION PAYMENTS, INDUCEMENTS AND COMMISSIONS.

Company staff shall not use their employment status to seek personal gain from those doing business or seeking to do business with the Company nor accept such gain if offered.

Staff members must not engage in any act that could be interpreted as seeking or receiving a bribe, secret commission or questionable payment. Decisions made by staff members in the course of their work must

be objective and based solely upon the best interest of the Company. They should never be influenced by any consideration of personal gain or gain to any personal associate (e.g. friend or relative).

Except as noted below, staff members may neither seek nor accept gifts, payments, services, fees, pleasure or vacation trips or accommodation, or loan (except normal loans from regular lenders, on conventional terms) from any person, organisation or group that does business or is seeking to do business with the Company or any of its affiliates, or from a competitor of the Company or any of its affiliates.

A staff member may not accept gifts, services or entertainment from individuals or companies unless the transaction meets all of the following requirements:

- is in keeping with good business ethics;
- is customary and proper under the circumstances and gives no appearance of impropriety;
- serves a valid business purpose;
- does not impose any sense of obligation on the recipient to the donor;
- does not result in any kind of special or favoured treatment of the donor;
- cannot be viewed as extravagant, excessive or too frequent considering all the circumstances;
- does not involve cash payments, gift certificates, credit arrangements of any kind or any item having a value of more than \$100;
- does not involve materials, services, repairs or improvements at no cost or at unreasonably low prices; and
- there is no effort made to conceal the full facts by either the recipient or the donor.

7. COMPANY'S MEASURES TO PROMOTE ACTIVE COMPLIANCE WITH NSW LEGISLATION

Staff members should undertake at all times to comply with or observe all applicable laws and regulations.

Members of staff should not take any action which they know or should reasonably know violates any applicable law or regulation. Where operating rules are laid down they should be followed.

8. HANDLING OF CONFLICTS OF INTEREST

A conflict of interest arises when a staff member is in a decision-making position and participates in an activity or acquires another interest or loyalty that jeopardises, or could jeopardise, his or her judgement, objectivity or independence.

Where a conflict of interest arises, a staff member must disclose the conflict to his or her manager. Senior management will assess and evaluate those potential or perceived conflicts and then decide upon, and

implement, an appropriate way to handle those conflicts. Depending on the nature and extent of the conflict, the measures taken to protect against conflict of interest may include ensuring that the conflicted or potentially conflicted staff member does not participate in the relevant decision or activity, or disclosing the conflict to third parties affected by the conflict and ensuring that the conflicted or potentially conflicted staff member is not the sole decision maker on the matter. The Company does not have an obligation to prohibit all conflicts of interest, but there is an obligation that all conflicts of interest be adequately managed or avoided.

Staff members who are directors of the Company will be guided by the constitution of the Company and will ensure that they abide by the provisions in the Corporations Act governing conflicts of interest. Where there is doubt the matter should be raised with the Company Secretary of the Company.

OUTSIDE EMPLOYMENT

Staff members must avoid acquiring any business interests or participate in any business activity outside the Company which would tend to:

- Create an excessive demand upon the staff member's time and attention or create any distraction during working hours; or
- Create a conflict of interest, that is, an obligation, interest or distraction which would interfere with the independent exercise of judgement in the Company's best interest.

Staff members must obtain the consent of the Managing Director through the Company Secretary before accepting a position as a Director or member of the board of an external company or organisation.

9. REPORTING OF UNLAWFUL OR UNETHICAL BEHAVIOUR

The Company encourages staff to report in good faith suspected unlawful/unethical behaviour. Staff members are not disadvantaged in any way for reporting violations of the Code or other unethical conduct. The Company will ensure that the matter is dealt with promptly and fairly and that the procedures are not used maliciously or mischievously.

Any staff member who is uncertain as to whether an act or omission constitutes unlawful or unethical behaviour or who wishes to make a report should contact the Company Secretary directly.

The Company Secretary will then determine what action, if any, should be taken.

The Company Secretary will treat as confidential all such queries and reports except where action is to be taken. In which case, the Company Secretary shall seek to maintain the identity of the staff member confidential, unless the circumstances demand otherwise.

10. CODE COMPLIANCE

Failing to comply with required Company behaviours (as outlined in our policies and codes) is viewed by the Company as a serious matter that must be addressed by management and may lead to disciplinary action, up to and including termination of employment.

The nature of any action will depend on the seriousness of the breach and other relevant circumstances. Examples of disciplinary action that may be taken include a discussion with a manager about desired behaviour, a verbal or written warning, counselling on misconduct, transfer to a position with a lower level of responsibility, suspension and dismissal.

If the situation involves a violation of law, the matter may also be referred to the appropriate law enforcement authorities for consideration.

This Code is publicly available on the Company's website www.saironsteel.com in the corporate governance section.