

AMG POLICY ON ANTITRUST COMPLIANCE & COMPETITION GUIDELINES

BACKGROUND

Antitrust laws (which are sometimes referred to as Competition or Antimonopoly laws in some countries) exist to prohibit anti-competitive behavior and unfair business practices, and are intended to protect free enterprise and encourage competition in the marketplace.

AMG makes decisions regarding its commercial strategies independently. We want it to be clear to our employees and third parties that we compete fairly, lawfully, and with integrity. This is especially important to AMG, as we are an international group of entrepreneurial companies conducting business transactions in a global economy, and although there are differing competition laws in different countries, we will comply with the most rigorous competition, antitrust and compliance standards.

POLICY

It is the policy of AMG Advanced Metallurgical Group NV and its subsidiaries (here collectively referred to as “AMG”) to engage in fair competition in compliance with competition laws globally. Compliance with the competition laws is core to AMG’s desire to establish and maintain a reputation for integrity and honesty in its management practices and business transactions – as expressed in the AMG Code of Business Conduct.

SCOPE

All AMG employees are to conduct business in a legal and ethical manner. Compliance with competition law falls within the framework of the AMG Code of Business Conduct. As a result, every AMG employee who has contact with customers, suppliers and competitors, or who has management responsibility for such employees, must ensure that he or she is familiar with the requirements of this policy and competition law in general, and is personally committed to achieving compliance with this policy on antitrust law.

IMPLEMENTATION

This policy is to be immediately implemented within the framework of the existing compliance programs and must be monitored continuously.

WHAT IT MEANS

Although competition laws can be complex, there are simple rules identified below (see Minimum Rules of Conduct) derived from the requirements of these laws that AMG's employees are required to follow.

Minimum Rules of Conduct When Dealing With Competitors

- We do not exchange (directly or indirectly) non-public information with our competitors, nor do we engage in benchmarking exercises with them.
- We do not agree (or even discuss) with our competitors the prices at which we will sell our materials and products. Included in this is a prohibition on agreements (written or verbal) with our competitors that relate to the prices and the terms (e.g. pricing methods, terms of payment, rebates, etc.) under which we will do business.
- We do not divide markets or customers with our competitors. It is illegal for competitors to agree to divide territories as well as to agree not to compete in certain territories. Similarly, AMG does engage with its competitors in a division of customers within our served markets.
- We do not restrict capacity or output in conjunction with our competitors. AMG will independently decide which types of materials and products to make, which markets to participate in, and how much product to manufacture and offer for sale.
- We do not engage in bid rigging (including an agreement not to bid) with our competitors.
- We do not agree with our competitors to set the purchase price for the materials and services we require for our business.

Notwithstanding any potentially contradictory language in the foregoing, it is recognized that we occasionally undertake arms-length transactions with our competitors for legitimate commercial reasons, and those transactions are permitted under antitrust laws. When undertaking such an activity, employees should not engage in such discussions and transactions without first receiving the approval of the applicable AMG compliance officer, and any agreement that results must be approved by an appropriate legal representative. Even when a contemplated transaction with a competitor has been approved under the competition laws by the AMG compliance officer and an approved non-disclosure agreement is in place for that transaction, employees should not disclose confidential, proprietary or trade secret information to that competitor. Information exchanged with a competitor must be strictly limited and directly related to the approved transaction.

Minimum Rules of Conduct When Dealing with Suppliers & Customers

- We price our products with integrity. This means that AMG will not discriminate in its pricing or contracting strategy with its customers. More specifically, AMG will strive to provide similar pricing and similar trading conditions to similarly situated customers.
- In some jurisdictions, bundling services with goods may be illegal. In general, AMG does not offer services in connection with the sale of materials and products, but to the extent that a potential transaction of that nature arises, you should check with the AMG compliance officer to determine whether a contemplated transaction or trade practice is lawful.
- AMG does not prohibit its customers from reselling its materials or products, or using AMG's materials and products in whatever legal manner it wishes. We respect our distribution and end use customers' independence.
- We don't engage in resale price maintenance practices. In many jurisdictions it is illegal to require our independent distributors to charge a minimum resale price for our materials and products. AMG may recommend a resale price, but to the extent that an independent distributor chooses not to follow it, AMG may not punish that distributor, or reward those distributors that did follow a recommendation with regard to resale pricing.

Minimum Rules of Conduct When We Have Dominant Position in a Market

- We don't refuse to supply specific products to certain customers without a valid commercial reason (e.g. creditworthiness or anticipated supply shortages with respect to our contracted obligations, adverse history with customer) or other legal reasons. In a market where AMG is a significant supplier, we will take particular care to support customers that may be dependent upon us.
- It is not illegal for a company to have a large market share or market power. A Dominant position in a market is generally deemed to exist once a company has a market share greater than 40%. But in many jurisdictions, a company with a dominant market share can be viewed as abusing that position if it charges excessively high prices. Where an AMG company appears to have a dominant share of a specific market, care should be taken to periodically review that business' practices and pricing policies for the materials and products sold into that market.
- We will not abuse a large market-share position by engaging in below cost pricing in order to harm competitors. In general, it is illegal to sell materials and products, or provide services at below-cost pricing with the intention of driving out competition and then raising prices.

- In many jurisdictions it is illegal for a seller with a large market share or dominant position in the market for a given product to tie the sale of that product to the sale of a product in which AMG is not the low cost or higher value provider. In general AMG will not engage in tying, without first verifying with the AMG compliance officer whether the proposed transaction is acceptable under the applicable antitrust and competition laws.

Additional Considerations Regarding the Minimum Rules of Conduct

Most of the foregoing rules are focused on what AMG “won’t do.” What AMG “will do” is to continue to compete vigorously in our served markets, all while maintaining processes, procedures and records that limit the risk of antitrust and other forms of competition violations arising and conduct training to ensure that employees recognize and avoid potentially anti-competitive conduct. Accordingly, if you are an AMG managerial employee:

- DO ensure that your direct and indirect reports, understand the importance of complying with this policy.
- DO ensure that your applicable employees have received appropriate competition law training, and to the extent that a new employee is hired, or a current employee is promoted to a position where it is reasonable to expect that employee to have applicable interactions with customers, suppliers, or competitors.
- DO ensure that they have read and understood this policy, and that the employee is scheduled to receive training in a timely manner.
- DO ask your manager and the applicable AMG compliance officers for assistance in interpreting competition laws and regulations, as well as AMG’s requirements, if you are ever unsure as to what is required of you.

If you are a non-managerial AMG employee:

- DO be prepared for a potential competition law issues to arise in the course of conducting your work and know what is expected of you when it does.
- DO understand that these rules are not meant to be exhaustive; rather they identify minimum requirements of behavior.

SENSITIVE SITUATIONS REQUIRING SENSIBLE CONDUCT

Contact with Competitors and Trade Association Meetings

- You should be very careful in any contact you have with competitors. In particular, you should not discuss (either by asking for, or offering, commercially sensitive information.
- Discussion topics in any meetings with competitors should ideally be agreed and exchanged in advanced, and followed during the meeting. The topics discussed at such a meeting should be documented and circulated to the other participants. If the competitor strays from the agreed agenda, you should inform the other participant(s) that it is against AMG policy to discuss such matters, end the meeting, and advise your manager and AMG's general counsel of the conversation.
- Participation in formal trade association meetings is allowed, but it should be noted that antitrust regulators are particularly sensitive to information exchanged (whether formally or informally) at such meetings. If the organization does not have an antitrust policy in place, always report to your manager if and when you attend a trade association meeting and what topics are on the agenda. Employees must not exchange commercially sensitive information (e.g., which suppliers, customers, or contractors that we deal with, and which markets AMG intends to sell into and on what terms AMG will deal) with any third parties, and take particular care to ensure that any communications of such information with fellow AMG employees are not overheard. If discussions in a trade association meeting involve a discussion of commercially sensitive information, it is incumbent upon you to object to such discussion, and if it persists, to withdraw from the meeting, ensure that your departure is noticed and noted in the meeting's Minutes, and advise your manager and AMG's general counsel of the subject discussion.

Course of Conduct / Informal Agreements

- An agreement that represents a violation of antitrust or other competition law need not be in writing to be found to constitute an agreement. Handshake or other types of informal agreements that involve a violation of applicable law are just as illegal as written agreements. This is commonly referred to as "concerted action," which is illegal. The boundaries of lawful unilateral conduct and illegal collective behavior are hard to prove and have been the subject of much litigation over the years. As a result, competition law has developed to

allow circumstantial evidence to be used to prove an illegal agreement. For example, where a concerted action has been mentioned in a meeting where competitors were present (and thus contemplated by at least one of them at the time), and the parties subsequently acted in accordance with the action, it was held that an agreement to illegally conspire existed .

- If you know of any potentially anti-competitive practices occurring in our served markets, you should advise your manager and AMG's general counsel, even if you are uncertain whether such practices are legal. We want to take appropriate measures to ensure that there is no appearance of impropriety on AMG's behalf.
- In your discussions with customers, suppliers and third parties, carefully consider any statements you make regarding AMG's and its potential acquisition or commercial plans. Avoid statements that would suggest that AMG intends to abuse its market power, or to use its size, financial resources, or competitive position to eliminate or prevent competition.

Mergers & Acquisitions and Joint Ventures

- The acquisition of companies and establishment of joint ventures is a heavily regulated area of competition law. The regulatory agencies are particularly focused upon the potential that a proposed merger may lessen competition. AMG's general counsel and chief financial officer, and the applicable AMG group president must be notified whenever a business unit is seriously contemplating an acquisition or establishment of a joint venture.
- Because acquisitions are heavily scrutinized, it is possible that AMG business units will be contacted by government regulators with respect to third party acquisitions. When such a query is received, the applicable business unit should notify AMG's general counsel, chief financial officer, and the applicable group president before responding to that query.
- It is common for joint ventures to be established between competitors, or potential competitors. Though generally legal, such combinations frequently generate scrutiny from government regulators and third party competitors. The formation of a joint venture, and subsequent interaction with the joint venture and joint venture partner, must strictly follow this policy. In addition to not violating the competition law requirements, when an AMG employee is working with employees of the joint venture, special care must be taken by AMG employees not to divulge any information that AMG considers to be confidential, proprietary, or a trade secret.

Indicators & red flags for situations requiring heightened awareness of potential antitrust implications

- You are planning to attend, or attending, an industry trade show.
- You encounter an employee or other representative of an AMG competitor and they wish to have a conversation with you regarding either party's commercial practices.
- A third party makes inquiries regarding how AMG intend to respond to a potential or current customer's request for proposal.
- A third party makes inquiries regarding AMG's position on contractual terms with customers, suppliers and other service providers.
- Something has changed in our business or the overall market and you don't believe that AMG will be able to supply specific products to certain customers.
- AMG have a dominant position in a market and we are discussing whether to significantly alter AMG's pricing practices. You are in a procurement function with AMG, and you notice that over a series of awards, one vendor always wins, regardless of competition; the vendor that wins the award subcontracts the work to losing or non-participating vendors.

POTENTIAL PENALTIES FOR VIOLATIONS

Enforcement of the antitrust and competition laws is typically conducted by government agencies. The penalties for a violation of these laws may include:

- Heavy fines (e.g. in the EU it is possible for a company to be fined in an amount up to 10% of the parent company's worldwide annual sales);
- Debarment from participating in governmental contracts (even as a sub-supplier) in governmental contracts;
- Criminal prosecution of the company, as well as the individuals involved, potentially involving potential fines and imprisonment;

Even if a company has been found not guilty of violating antitrust and compliance laws, the cost of defending itself against such claims can result in great expense, in the form of outside legal counsel and independent investigator expenses, considerable management attention devoted to the issue, and potentially negative public relations that can adversely affect relationships with customers, suppliers, and shareholders, among others.

In some jurisdictions it is also possible for a party to bring a claim of damages against a party that has allegedly engaged in anti-competitive behavior. The damages that allegedly arise from such illegal activity can be substantial (in the U.S., the damages may be up to 3 times the amount proven at trial), and in some jurisdictions, a party that achieves a guilty verdict can recover its attorney's fees in bringing the action – even if those attorney's fees are in excess of the amount of damages proven at trial.

AMG MANAGEMENT

AMG Management will provide training to applicable AMG employees (e.g. plant manager and its direct reports and all sales staff), and periodically review this policy to ensure compliance with all applicable laws and regulations.

AMG EMPLOYEES

Every AMG Employee is obligated to follow this policy.

- If you are uncertain the potential applicability of this policy or any of the competition laws to your contemplated activity, you must use the Company resources available to you, including your manager, the applicable AMG corporate compliance officer, or AMG's general counsel. Any deviations from this policy require a due diligence assessment and/or prior internal business and legal approvals.
- If you believe that a violation has occurred, you must report it to your manager, and the applicable AMG compliance officer or AMG's general counsel.
- Employees who fail to follow this policy are subject to disciplinary action up to and including termination of employment and the penalties for violations of these laws may be civil and criminal, and may apply to AMG and you.

RETALIATION

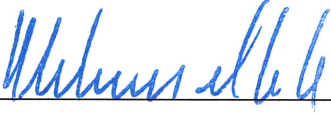
Consistent with the AMG Code of Conduct, AMG prohibits retaliation against anyone who raises a good faith concern regarding AMG's compliance with the competition laws or this policy, regardless of whether the expressed concern ultimately is determined to be a violation of this policy, or applicable law.

Amsterdam/Wayne

Management Board

AMG Advanced Metallurgical Group NV

Chief Executive Officer



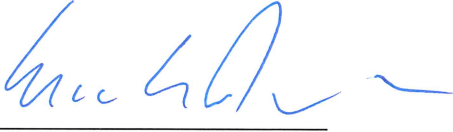
Dr. Heinz C. Schimmelbusch

Chief Financial Officer



William Levy

Chief Operating Officer



Eric Jackson