

AMG POLICY ON ANTI-BRIBERY AND ANTI-CORRUPTION

BACKGROUND

Corruption occurs in the misuse of power or position for private gain. Corruption impedes economic growth, distorts competition, and undermines the integrity of the people involved and the organizations that they represent. Forms of corruption include, but are not limited to bribery, fraud, money laundering, and conflicts of interest such as insider dealing or other occasions where personal relationships could influence, or be perceived to influence, your decisions. It is important to recognize that AMG's (and your) reputation may be adversely impacted even if corruption is merely perceived, or results in an unsubstantiated claim of corruption.

POLICY

AMG Advanced Metallurgical Group NV and its subsidiaries (here collectively referred to as "AMG") does not tolerate bribery, facilitation payments, fraud, money laundering, and forms of corruption arising from a conflict of interest (e.g. insider dealing, offering of excessive or otherwise inappropriate gifts and hospitality).

The AMG Code of Business Conduct sets out the company's commitments on Anti-bribery and Anti-corruption. It states, "Bribery in any form is unacceptable." The Code's commitments are reflected in this policy - we don't want to do business with others (customers, suppliers, agents and other business associates) who do not accept our values or who may harm our reputation.

In many jurisdictions where AMG operates, corruption is not only illegal where it occurs, but it is also illegal to engage in corrupt practices in other countries. Regardless of potentially differing local manners and traditions, it is the policy of AMG to conduct all of its business transactions in accordance with the AMG Code of Conduct and this Policy, as well as to comply with all applicable anti-bribery laws, including but not limited to the U.K's Bribery Act 2010, the U.S. Foreign Corrupt Practices Act, and all applicable laws where AMG transacts business.

Consistent with AMG's Corporate Financial Policies, including but not limited to the Controllershship and Financial Reporting, and Travel and Entertainment Sections, it is also AMG's policy to accurately reflect all transactions on AMG's books and records.

Because AMG wants to conduct business with companies and organizations that share this value, this policy shall be flowed down to all business associates (e.g., joint venture partners, agents, brokers, consultants, converters, distributors, and representatives, or other persons or firms who are likely to have contact with a foreign customer or supplier) hired or otherwise retained by AMG to provide services related to obtaining or retaining business or business opportunities. In order to avoid inappropriate arrangements on remuneration, when structuring its agency and service contracts, AMG takes into account any recommendations received from industry associations, chambers of commerce and government organizations. The AMG employees responsible for hiring

and retaining these third parties are to make good faith efforts to ensure that the parties comply with this policy.

SCOPE

This policy applies worldwide to all employees (including officers and directors) of the AMG Group.

IMPLEMENTATION

It is to be immediately implemented with the framework of the existing compliance programs and must be monitored continuously.

WHAT IT MEANS

A bribe is anything of value (including cash, gifts, favours, promises) offered to influence someone in the performance of their commercial or public duty or to keep or receive a commercial advantage.

We don't offer or promise anything of value to a foreign official, their families or friends. Foreign officials and their families and friends are in a special category of consideration because of their power to significantly influence the awarding of government contracts, permits and licenses. This internal AMG requirement applies even where local custom would otherwise allow such payments to be made.

- We don't pay money to anyone if we believe that it is probable that the payment will be used to make a bribe, nor will we condone the offering of bribes on our behalf.
- We don't accept bribes to influence business, nor do we condone bribes being accepted on our behalf.
- AMG will not knowingly deal with suspected criminals or criminal proceeds and will make good faith efforts to investigate the people and businesses that AMG does business with. Accordingly, AMG personnel should report any suspicious transactions, and AMG personnel will not interfere or obstruct government investigations of money laundering.

Facilitation Payments

- A facilitation payment (or grease payment) is an unofficial payment made to secure (or expedite) routine actions to which the payer is already legally entitled, such as the issuing of a visa. We don't make such facilitation payments. Exceptions to this policy are limited to exceptional circumstances such as duress (e.g. where violence or imprisonment is threatened). Employees must report in writing to their applicable manager and AMG compliance officers all incidents where facilitation payments are requested but not paid, a payment is made that might be considered to be a facilitation payment, and payments are demanded under duress, whether paid or not.
- AMG's books and records (including your expense reimbursements) must be truthful and accurate.

Gifts & Hospitality

- The AMG Code of Business Conduct says, "While it is recognized that certain corporate hospitality is given and received as part of building normal business relationships, this should be kept to appropriate levels and not be applied to influence business decisions."
- Personal gifts or favours of any material commercial value may not be made or accepted by any employee. Exceptions may be made by a recipient's superior when refusal of the gift or favour would negatively impact legitimate business interests of AMG.
- You may exchange infrequent, modest, non-cash gifts with other third parties provided these do not consist of cash payments and provided there is no expectation of anything in return.
- You must refuse offers of hospitality involving expense-paid travel or overnight accommodation, unless they are related to a business activity, such as a speaking engagement where travel and accommodation is provided by the organizers and the engagement is approved by your manager.
- Gifts and hospitality must not influence your decision-making, and you should be aware that they have the potential to cause others to perceive improper influence. For example, a non-cash gift offered during the negotiation of a transaction, is more likely to be perceived as improper.

- You must register all gifts (given, offered, and received) that exceed two hundred Euro (€ 200) with your local finance official (e.g. plant controller) with a copy to AMG's applicable compliance officer. To be clear, the receipt of minor non-cash gifts such as company pens and branded items and common courtesies such as drinks, sandwiches or modest refreshments in a meeting, or a modest business luncheon, will not require registration.

Conflicts of Interest

- A conflict of interest is a conflict between your personal interests and duties and your duty to your employer. If you believe that you have a conflict of interests or that anyone at AMG or a third party may perceive you to have a conflict of interest with respect to the work that you conduct (or could conduct) at AMG, you should report such conflict in writing to your manager and the applicable AMG compliance officer. For example, an AMG employee should not be involved in the potential hiring of a family member. You may be required to withdraw from decision-making in some situations.

Political Contributions

- The AMG Code of Business Conduct says that "No company funds or resources are to be used to make political contributions or payments to political candidates or causes." AMG does not make any political donations to political organizations, including trade unions. Employees may make payments from their own money. However, this must be on a personal basis and not to influence government or a third party on behalf of AMG.

Protection of Company Assets and Resources

- The AMG Code of Business Conduct sets out the responsibility of all employees to safeguard property or other assets owned or leased directly or indirectly by AMG. This includes not providing company assets to improperly influence a business relationship or to obtain an advantage or specific benefit in business.

Charitable donations and sponsorships

- AMG is committed to being a responsible corporate citizen and contributing to the communities where it does business. However, AMG must be certain that its charitable donations and sponsorships are not perceived as an attempt to improperly influence others for the benefit of AMG. No charitable donations or sponsorships should be made without the authorization of management.

CORRUPTION INDICATORS & RED FLAGS

The U.K.'s Serious Fraud Office and the US Department of Justice have identified a variety of indicators that could possibly imply increased corruption risks and should trigger special alert, such as:

Corrupt Business Practices

- You are dealing in, or with a party from, a country or industry with a history of corruption problems.
- An individual you are dealing with insists on dealing with specific contractors themselves, or abuses the decision-making process or delegated powers.
- The party you are dealing with is a government official or related to a government official.
- Unusually smooth processing of the transaction, despite the party you are dealing with lacking the apparent expertise in the field, or despite the country's reputation for bureaucracy.
- The party you are working with desires to keep their representation secret.
- Abnormally high commission percentage being paid to a particular agency, which payments may be split into two accounts for the same agent (often in different jurisdictions).
- The party you are dealing with requests that any payments be made in cash, in another country, or payment be made to a third party.
- Pressure is brought to bear for the payment to be made urgently or ahead of schedule.
- Missing documents or records regarding meetings or decisions.
- Payment of, or making funding available for, high value expenses such as school fees, on behalf of others.
- Your due diligence reveals that the party you are dealing with has provided false information.
- Making illogical decisions about the project.
- Unexplained preference for certain contractors.
- Irrational explanation regarding fund destination.
- Lavish gifts are offered.

Recordkeeping & Accounting Provisions

- Payment descriptions do not match up with the type of account
- Vague description for payments made
- General purpose funds
- False Invoices
- Sending payments to wrong party
- Submission of inaccurate expense reports

AMG MANAGEMENT

AMG Management will ensure that their direct and indirect reports understand that bribery and corruption is unacceptable. AMG management personnel will periodically provide training to applicable AMG employees, and annually review this policy with their direct reports to ensure compliance with all applicable laws and regulations.

We will maintain processes, procedures and records that limit the risk of bribery and other forms of corruption.

Employees that 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.

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 above-noted laws and regulations to your contemplated activity, you must use the Company resources available to you, including your operational and finance management, or the AMG corporate compliance officer. 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 operational and finance manager, and the AMG corporate compliance officer.

NO RETALIATION

AMG prohibits retaliation against anyone that raises a good faith anti-corruption concern, regardless of whether the concern ultimately is determined to be a violation of this policy, or applicable law.

Amsterdam/Wayne

Management Board

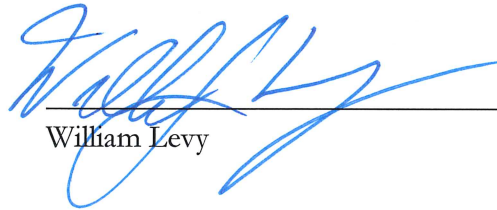
AMG Advanced Metallurgical Group NV

Chief Executive Officer



Heinz C. Schimmelbusch

Chief Financial Officer



William Levy

Chief Operating Officer



Eric Jackson