

**GERDAU AMERISTEEL CORPORATION
CODE OF ETHICS AND BUSINESS CONDUCT**

(ADOPTED MARCH 23, 2005)

I. INTRODUCTION

Gerdau Ameristeel Corporation (the “Company”) operates with the core values of safety, integrity, a customer quality orientation, employee engagement, open communication, and environmental responsibility. This Code of Ethics and Business Conduct (“Code”) has been adopted by our Board of Directors. It reinforces our commitment to our core values and summarizes the standards that guide our actions as we conduct our business. These standards represent Company policy and apply to all of our employees and officers (all of our officers and employees, collectively, “Employees”) and all members of our Board of Directors (“Directors”).

II. BUSINESS CONDUCT AND COMPLIANCE WITH LAWS

We each have a responsibility to conduct our business with honesty and integrity and in accordance with the highest standards of business ethics and all laws, rules and regulations that govern our actions. So that all Employees may be aware of and understand these standards, the following is a brief summary of significant professional and legal requirements applicable to Employee conduct. Any Employee who is uncertain about a standard of conduct or the application of a law or regulation should seek guidance in the manner described in Section IX of this Code.

A. Safety and Health

The safety and health of all Employees is of paramount importance to the Company. Across the Company, each Employee has a personal obligation to the safe conduct of the Company’s business. Company policies have been adopted and various federal, state and local laws have been enacted to protect Employee’s safety and health. The Company ensures that Employees are aware of applicable regulations and that Employees receive appropriate training concerning safety and health requirements. It is the Employee’s responsibility, for the Employee’s own benefit and for the benefit of all other Employees, to be aware of, accountable for, and in compliance with all applicable safety and health requirements. Dangerous or unsafe conditions should be reported immediately to your supervisor.

B. Equal Employment

The Company and all Employees are required to comply with all laws governing nondiscrimination in every location in which the Company has a facility. The Company is committed to providing equal employment opportunities for all persons regardless of race, color, religion, gender, age, marital status, sexual orientation, national origin, citizenship status, disability, veteran status, or membership in any other group protected by applicable federal, state or local laws. This policy extends to all terms and conditions of employment, including

but not limited to hiring, placement, promotion, termination, layoff, recall, transfers, and leaves of absence, compensation and training.

C. Discriminatory Harassment

The law prohibits employees in the workplace from engaging in discriminatory harassment, and the Company's policy is to prohibit any act of discriminatory harassment. An Employee must not engage in any threatening, intimidating or hostile activity, or use epithets or slurs that relate to race, color, religion, gender, age, marital status, sexual orientation, national origin, citizenship status, disability, veteran status or membership in any other group protected by federal, state or local laws. Likewise, an employee may not send to any co-employee or display or circulate in the workplace any electronic, written or graphic material that indicates or shows hostility toward an individual or group because of that individual's or group's race, color, religion, gender, age, marital status, sexual orientation, national origin, citizenship status, disability, veteran status or membership in any other group protected by federal, state or local laws.

D. Sexual Harassment

Sexual harassment in the workplace is expressly prohibited by law and the Company's policy is to prohibit any act of sexual harassment. Sexual harassment is defined as an unwelcome sexual advance, any request for sexual favors, visual displays of inappropriate material, or any other verbal or physical conduct of a sexual nature in the workplace as well as any similar conduct that creates a hostile work environment. The Company does not condone sexual harassment, whether committed by Employees or by Employees of vendors, suppliers, contractors or customers' and such persons will be subject to appropriate corrective action for violations.

E. Environmental

The Company is committed to protecting the earth's vital resources and promoting sustainable economic development. The Company requires Employees to comply with all environmental laws and regulations applicable to their activities in the workplace. Environmental compliance is everyone's responsibility. Each Employee is responsible for understanding the environmental consequences of his or her job and performing it in an environmentally safe manner. If an Employee becomes aware of any actual or potential adverse environmental impacts caused by Company operations, he or she should promptly advise his or her supervisor so that necessary corrective action can be taken.

F. Antitrust

The federal government, most state governments, and many foreign governments have enacted antitrust or "competition" laws intended to preserve independent competition among competitors and prohibit activities that are unreasonable restraints of trade. Certain types of restraints are considered to always be illegal

under the laws of the United States and many countries, and employees must avoid even the appearance of such conduct. Some clear examples of antitrust violations are: price fixing, bid rigging, market or customer allocation, production allocation and group boycotts such as joint refusals to deal. If an Employee violates antitrust laws, the Employee may be subject to personal criminal liability, including fines and imprisonment. The Company may also be exposed to both criminal and civil liability, including treble civil damages. The defense of an antitrust claim, even when successful, can be time consuming, burdensome and extremely expensive for the Company. Accordingly, an Employee must not engage in any prohibited activity, and must strive to avoid even the appearance of a possible violation. An Employee with sales and marketing responsibilities or commercial contacts or who attends trade association or industrial group meetings must be particularly aware of these obligations under the antitrust laws.

G. Campaign and Election Law Matters

The Company requires its Employees to comply with all applicable laws concerning the use of corporate funds, properties and services to influence governmental action or the nomination or election of any candidate to public office. Any contributions of funds to political candidates, committees and parties and all other forms of direct or indirect assistance or support, must be in the strict compliance with applicable laws and regulations and must be properly authorized. Although the Company encourages its Employees to be involved in community, government and political affairs, and to support political candidates of their choosing, such activities must be undertaken on the Employee's own time at their sole expense, with no reimbursement by the Company.

H. Improper Payments and Foreign Governmental Contacts

The use of any funds or assets of the Company for any unlawful or improper gifts, payments to customers, government employees or other third parties is strictly prohibited. Therefore, no payment from the Company's funds or assets shall be made to or for the benefit of a representative of any domestic or foreign government (or subdivision thereof), labor union, or any current or prospective customer or supplier for the purpose of improperly obtaining a desired government action, or any sale, purchase, contract or other commercial benefit. This prohibition applies to direct or indirect payments made through third parties and is intended to prevent bribes, kickbacks or any other form of payoff.

All contacts by the Company with officials of foreign governments, or officials of companies owned in whole or in part by foreign governments, must be conducted in compliance with the Foreign Corrupt Practices Act. The FCPA generally prohibits payments of, promises to pay, or authorizations to pay, money, gifts or anything of value to officials of foreign governments, in order to "obtain or retain" business. Payments or gifts to a third party, such as an agent or sales representative, while knowing (or having reason to know) that all or part of the money or gift will be offered or given to such an official, are also prohibited. If Employees violate the FCPA, the violation creates severe potential criminal and

civil liability for themselves and the Company. The types of conduct prohibited by the FCPA are not always clear. As a result, caution is required when doing business through foreign consultants, commercial representatives or agents, or with businesses that are owned, in whole or in part, by foreign governments or that have personal or family ties to government officials. The United States government uses economic sanctions and trade embargoes to further foreign policy and national security objectives. Employees must abide by all economic sanctions and trade embargoes that are in effect.

H. Delegation of Authorities

The Company requires its Employees to comply with the purchasing approval limits set out by its Directors from time to time. Only those Employees authorized by the Directors are allowed to approve purchases and the amounts approved must not exceed the specified limits. No Employee may approve purchases in amounts greater than his or her approval limit nor may any Employee assume any authority not granted by the purchasing approval limits. Any questions about the applicable purchasing limits should be directed to the General Counsel.

I. Insider Trading

The Company's policy is that the Company and Employees trading in the Company's stock and other securities shall comply with all securities laws governing such transactions. Employees and agents of the Company are strictly prohibited from trading in Company stock when they are in possession of material inside information that has not been made public. It is also a violation to pass such information to others who may trade on the information (a practice known as "tipping"). The Canadian and United States securities laws impose restrictions on the timing and manner in which anyone may buy, sell or otherwise trade in the securities of any publicly traded company. It is the policy of the Company to comply with all applicable securities laws, to inform its Employees of the consequences of trading in violation of such laws, and to insist that its Employees comply with all applicable securities laws when trading in the Company's securities. Directors and certain Employees are subject to more stringent restrictions on when they may trade in Company stock and other securities. For a detailed discussion of the Company's policies concerning securities trading by Company Employees and Directors, see Appendix A.

III. CONFLICTS OF INTEREST

Employees and Directors have an obligation to promote the best interests of the Company at all times and should avoid any action which may involve a conflict of interest with the Company. Employees and Directors should not have any undisclosed, unapproved financial or other business relationships with suppliers, customers or competitors of a magnitude or nature that could impair the independence of any judgment that an Employee or Director may need to make on behalf of the Company. Conflicts of interest would also arise if an Employee or Director, or a

member of his or her family receives improper payments or other personal benefits as a result of his or her position in the Company. The Gerdau Ameristeel Policy Manual provides specific guidance on the acceptance of gifts and gratuities. We must also avoid apparent conflicts of interest, which occur where a reasonable observer might assume there is a conflict of interest and, therefore, a loss of objectivity in our dealings on behalf of the Company. Where conflicts of interest arise, Employees and Directors must provide full disclosure of the circumstances. Directors and officers of the Company shall provide full disclosure to the Company's Audit Committee Chairman and all Employees, other than officers, shall provide full disclosure to their supervisor.

IV. CORPORATE OPPORTUNITIES

Employees and Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Employees and Directors are prohibited from (i) directly or indirectly buying, investing or otherwise participating in any potential business opportunity for the Company, which they have discovered through their use of the Company's information or property or as a result of their position in the Company, (ii) using Company information or property, or their position with the Company, for personal gain, and (iii) competing with the Company.

V. ACCURACY OF RECORDS AND INFORMATION REPORTING

The Company's financial and accounting records and other books and records are used to produce reports for the Company's management, shareholders, governmental and regulatory authorities and others. Therefore, we must all protect the Company's financial strength and reputation for integrity by ensuring complete and accurate financial and accounting records that are not misleading. Implementing appropriate control systems helps to make sure this happens. All books, records and accounts including time sheets, sales records, invoices, bills and expense reports must be complete, accurate and reliable. Unrecorded, undisclosed or "off-the-books" funds or assets should not be kept for any purpose, and transactions should be recorded in a timely manner and supported by appropriate documentation. Employees should not incur or pay the costs of anything using company funds if the incurrence or payment is not authorized by your manager or supervisor or reimbursable, and financial records that reflect the Company's activities and transactions should be maintained in accordance with generally accepted accounting principles (GAAP) and in compliance with applicable laws and regulations.

The Company also requires full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (SEC), the Ontario Securities Commission (OSC) and other Canadian securities regulatory authorities, the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE), as well as in other public communications made by the Company. All Employees who are responsible for the preparation of the Company's public disclosures, or who provide information as part of the process, have a responsibility to ensure that disclosures and information are made public in compliance with the Company's various disclosure controls and procedures.

VI. CONFIDENTIALITY

The Company has, or has been entrusted by third parties with, information, products and ideas which are considered confidential. From time to time, Employees or Directors may come into contact with such confidential information, including the following: trade secrets, marketing data, financial information, information systems, technical expertise, inventions, business strategies, and personnel data. The Company owns or has been entrusted with this information and the Company determines who is entitled to possess or use such data. Employees have an ongoing obligation to protect such information and not to disclose such information unless authorized by the Company or mandated by law. This obligation continues even after an individual is no longer an Employee or Director of, or otherwise affiliated with, the Company. The intentional or inadvertent disclosure of confidential information can seriously damage the Company and disadvantage the Company in its business dealings. Discussions and disclosure of such information must be strictly limited to those authorized persons who have a need to know.

VII. FAIR DEALING

Employees and Directors must endeavor to deal fairly with the Company's customers, suppliers, competitors and other employees. Employees and Directors must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

VIII. PROTECTION AND PROPER USE OF COMPANY ASSETS

Company assets, such as materials, supplies, inventories, intellectual property, software, hardware, and facilities, among other property, are valuable resources owned, licensed, or otherwise belonging to the Company. Employees and Directors are expected to treat the property of the Company with care and use it efficiently and should not remove it from Company premises without a supervisor's approval. The Company's property should only be used for legitimate business purposes.

IX. GUIDANCE AVAILABLE

This Code does not reference all laws, policies, rules or regulations or standards applicable to conduct by Employees. Requirements not referenced in this Code may apply to specific work activity. Many laws to which the Company is subject, including those referenced in this Code, are complex, and their application to the Company's business practices or activities can at times be unclear. Appropriate guidance should be sought regarding any proposed action that raises questions or creates uncertainty with respect to compliance with laws or regulations. Employees should seek the advice and guidance of supervisors and the Company's Legal Department with regard to any and all transactions that may have legal implications.

X. COMPLIANCE

Compliance with this Code is mandatory and a violation of this Code constitutes grounds for disciplinary action, including, when appropriate, termination of employment. This Code reflects general principles to guide Employees in making ethical decisions and is not intended to address every specific situation. As such, nothing in this Code prohibits or restricts the Company from taking any disciplinary action on any matter pertaining to Employee conduct, whether or not it is expressly discussed in the Code. The Code is not intended to create any expressed or implied contract with any employee or third party. In particular, nothing in this document creates any employment contract between the Company and its Employees. The Code may be revised, changed or amended at any time by the Board of Directors.

XI. ADMINISTRATION AND REPORTING

Employees should report violations (or circumstances which could lead to violations) of laws, rules, regulations or of this Code to their supervisor or to the appropriate level of management personnel at their location. If an Employee is still concerned after reporting their concern or feel uncomfortable speaking with them for any reason they may either discuss the matter with the Company's General Counsel (813-207-2322) or send (anonymously, if they wish) a detailed written description of their concerns with copies of any relevant documents or other information in their possession addressed to either General Counsel, Gerdau Ameristeel Corporation, P.O. Box 31328, Tampa, FL 33631 or to the Chairman of the Audit Committee at the same address. In addition an Employee may report the matter by telephone to the Company's ethics hotline at (800) 732-7116. To encourage Employees and Directors to report such violations, the Company will not allow retaliation for reports made in good faith.

Directors and officers of the Company should report violations (or circumstances which could lead to violations) of laws, rules or regulations of this Code to the Chairman of the Audit Committee.

XII. DISCLOSURES

A copy of this Code shall be posted on the Company's website and the Company's annual report shall state that this Code is available on the Company's website and is available in print to any shareholder who requests it.

Employees and Directors shall periodically be required to certify in writing that their conduct has been in full compliance with this Code. Any waivers of this Code for officers or Directors of the Company may be made only by the Company's Board of Directors or the appropriate committee of the Board of Directors and must be promptly disclosed to shareholders.

APPENDIX A

GERDAU AMERISTEEL CORPORATION DISCLOSURE AND TRADING POLICY (REVISED JULY 16, 2008)

I. Background

Securities regulation imposes requirements on the Company, its directors, officers and employees that are intended to ensure that:

- trading in the securities of the Company or other companies does not take place when Company employees are in possession of material, non-public information;
- Company employees do not “tip” confidential information to others; and
- there is no “selective disclosure” of previously non-public material information about the Company so that it is accessible to some market participants but not others.

This Policy is intended to help to ensure compliance with these requirements by setting out procedures and guidelines for:

- dealing with confidential information;
- disclosing (and monitoring the disclosure of) material information on a timely basis in a manner that is broadly accessible on a non-exclusionary basis by all market participants;
- restricting trading in securities of the Company or other companies in respect of which insiders may receive material, non-public information while representing the Company; and
- establishing procedures by which supervisory employees will be alert to monitor, and take appropriate actions regarding any questionable trading activities.

The consequences of improper disclosure, trading or tipping (or suspicion of any of those activities) are serious, both for the individual involved and the Company. Breach of the applicable laws and regulations may involve both civil and criminal penalties, and the monetary and reputational cost of an actual or suspected breach may be significant.

This Policy is an Appendix to the Company’s Code of Ethics and Business Conduct, the receipt of which is required to be acknowledged by all directors, officers and employees of the Company. Each affected individual is responsible for ensuring compliance with this Policy by his or her family and other members of their household and entitles over which he or she exercise voting or investment control.

II. CONFIDENTIALITY

Principles of Confidentiality

The protection of our confidential information is vital to the Company. Moreover, securities legislation expressly prohibits disclosure of material, non-public information about the Company to any person (including, family members, analysts, individual investors, members of the investment community and news media), except in the necessary course of business.

Because it may be difficult to determine what information is confidential, all information received by and relating to the Company (as well as information learned about others while acting on behalf of the Company) should be treated as if it were confidential. As a general guideline, the affairs of the Company should not be discussed with or information about the Company made available to outsiders, including family members

Except as contemplated in this Policy under “**Procedures and Guidelines Governing Disclosure**”, confidential information or material, non-public information should not be disclosed by anyone unless disclosure is required as part of his or her regular duties. Where that information is to be disclosed to third parties, the Company may want to take specific steps to preserve the confidentiality of the information, including requiring the recipient to sign a confidentiality agreement. All inquiries from outsiders regarding confidential or material, non-public information about the Company should be referred to the Vice President Finance and Chief Financial Officer (the “**Designated Officer**”), who will arrange a response. The Designated Officer, from time to time, may authorize the Treasurer of the Company to respond to certain inquiries or certain types of inquiries.

No trading advice of any kind about the Company should be provided to anyone except that others should be advised not to trade if that trading might violate applicable laws or regulations or this Policy.

Guidelines for Maintaining Confidentiality

General Guidelines. To protect the confidentiality of information, the following general guidelines should be followed. More stringent measures may be adopted for particularly sensitive matters at the discretion of the responsible individual:

- only those third parties that clearly have been authorized should be provided with confidential information;
- confidential information should not be discussed in public places such as elevators, hallways, restaurants, health clubs, taxis or the subway or while using cellular or radiotelephones;

- documents containing confidential information should not be read, discarded or carried in public places in a manner that others also might read them;
- in our offices, documents containing confidential information should not be left unattended in public places, such as meeting rooms, reception areas or washrooms;
- persons from outside the Company should not be allowed to use or be in an area (like an employee's office) unattended where documents containing confidential information might be read by them;
- persons from outside the Company should not be told whether a "trading blackout period" has been designated under this Policy; and
- the whereabouts of personnel outside the office or the fact that visitors are in the office should not be disclosed to outsiders. (Any person receiving a request should agree to contact the employee and relay the message.)

Special Measures. Although judgment and care should be exercised at all times, the individual responsible for a particularly sensitive matter should consider whether other steps would be appropriate to minimize the risk of the confidentiality of information being compromised. Those steps might include:

- restricting access to all information within the Company to the smallest practicable working group and reminding all members of the group of the special confidentiality arrangements;
- marking all envelopes or packages containing sensitive materials as confidential and for opening by the addressee only;
- securing or coding communications that will be sent by fax or e-mail;
- storing sensitive information on computers in a manner that limits the risk that unauthorized operators might gain access;
- logging-off computers when away from the terminal for any substantial period;
- not leaving laptops unattended in airports or other public places;
- omitting names of parties or other identifying information from preliminary drafts of documents for sensitive matters;
- destroying all confidential waste paper by shredding;
- holding of telephone and other conversations (and particularly those on speakerphones) regarding a confidential matter behind closed doors;

- advising others if you are using a cellular or radiotelephone so that no sensitive information is discussed; and
- assigning to any new confidential matter a code or other non-identifying name.

III. DISCLOSURE

Disclosure Principles

In compliance with applicable securities law and regulation, the Board of Directors of the Company is committed to an effective communications and disclosure policy. It is the Company's desire to have a disclosure and communications policy that affords all investors equal access to material information that may affect their investment decisions.

Guidelines for Disclosure

Timely Disclosure. The Company should disclose all material information on a timely basis as required by all applicable laws, regulations and policies. There may be sound business reasons for delaying the disclosure of particular material developments (e.g., the need for confidentiality to complete sensitive acquisition negotiations or because a developing situation is still in flux and is not yet "ripe" for disclosure).

Open Disclosure. The Company should use all reasonable efforts to ensure that any material information that is disclosed is distributed on a broad, non-exclusionary basis so as to avoid "selective disclosure" of the information. The Company may, however, in the necessary course of its business, disclose such information:

- to persons subject to duties of trust or confidence (such as lawyers, bankers and accountants);
- to persons who agree to maintain the information in confidence;
- to credit rating agencies;
- in connection with registered or prospectus securities offerings; or
- as otherwise required by applicable regulations.

The Company should hold regular information meetings, conference telephone calls or Internet webcasts after the release of quarterly and annual results. Additional meetings, calls or webcasts may be held in association with the release of other information by the Company. These meetings and calls are intended to facilitate a dialogue between the Company and the investment community and should be open to the public.

To ensure the most open access, the Company should broadly disseminate the notice of the time, place, general substance and method for accessing any such meeting, call or

webcast and instructions as to how, and how long, the public will be able to access transcripts or replays. Any material information disseminated during a meeting, call or webcast that has not been publicly disseminated should be promptly released in a press release.

Use of the Website. To increase the accessibility of information, all material information disseminated by the Company should be posted on the Company's website (or links provided to sites on which the information is available). The website should be reviewed on a regular basis to ensure that it does not contain misrepresentations as a result of information that is, or is not, available on or through the site. The Company should maintain in an archive a copy of all material information that has been posted on the website.

Analysts' Reports. The Company will maintain arm's length professional relations with securities analysts and other securities market professionals (investment dealers, bankers and advisers, institutional investment managers or investment companies). Individuals dealing with securities analysts will avoid any conduct by which the Company may be seen, directly or indirectly or through implied guidance, as endorsing or adopting an analyst's report or confirming the analyst's estimate(s) or that any estimate is too high or too low. In this regard, as a matter of policy, the Company will not seek to review analysts' reports prior to their release to the public. Any review of an analyst's report should be limited to reviewing factual information to point out inaccuracies with respect to, or omissions from, recently released public information or to identify recently disclosed factual information that may affect the analyst's model. No Company employee should:

- permit an analyst to quote an officer of the Company or directly attribute information to the Company (except to the extent the quote or other information is contained in a news release issued by the Company or another document issued by the Company that is publicly available);
- circulate analysts' reports relating to the Company to current or potential investors; or
- quote or cite an analyst's report or cause it to be "hyperlinked" to the Company's website.

Involvement of the Board of Directors. The Board of Directors or the Audit Committee should review all news releases that disclose financial results and all other material, non-routine releases prior to release. All other news releases should be approved by the President or, in his absence, the Vice President Finance and Chief Financial Officer prior to release.

Communication on Behalf of the Company. The only individuals that should communicate with securities market professionals or investors are the President and the Vice President Finance and Chief Financial Officer (collectively, the "**Authorized Officers**"). All information requests from securities market professionals or investors

should be referred to one of the Authorized Officers to speak on the Company's behalf. Notwithstanding the foregoing, an Authorized Officer, from time to time, may authorize the Treasurer of the Company to respond to certain inquiries or certain types of inquiries.

The Authorized Officers, with the assistance of other senior officers, should be available to investors to hear, understand and address any questions or concerns that they may have. All material questions and concerns raised by investors should be reported to the Board of Directors on a periodic basis.

Quiet Periods. During the period beginning one week before the end of a quarter (including the last quarter in the fiscal year) and ending with the release of the earnings announcement for that quarter, in furtherance of this Policy, there will be no communication with analysts, institutional investors and other market professionals regarding current or prospective operations or results.

Material Information

In general terms, material information includes any information that:

- there is a reasonable likelihood would be considered by a reasonable shareholder or investor to be important in making an investment decision (whether to buy, sell or hold the securities);
- significantly alters the "total mix" of information in the marketplace about the Company; or
- results, or could reasonably be expected to result, in a significant change in the market price or value of any of the Company's securities.

Both positive and negative information may be material.

Although it is not possible to identify all information that would be considered to be "material", the following types of information ordinarily would be considered material:

- financial performance, especially quarterly and year-end earnings, and significant changes in financial performance or liquidity;
- Company projections and strategic plans;
- changes in corporate structure, such as reorganizations, amalgamations, etc.;
- potential mergers and acquisitions or the purchase by, or sale of, the Company's assets or subsidiaries;
- significant changes in management;

- major labor disputes or disputes with major contractors or suppliers;
- changes in share ownership that may affect control of the Company;
- public or private equity/debt offerings;
- availability of financing for operating or capital requirements;
- stock splits or changes in Company dividend policies or amounts; and
- actual or threatened litigation, or the resolution of such litigation.

Non-Public Information

Information generally is “non-public” if it has not been widely disseminated through major newswire services, national news services and financial services. For the purposes of this Policy, information will be considered public (no longer “non-public”) after the closing of trading on the second full trading day following the widespread public release of the information.

IV. TRADING

Application

The trading provisions of this Policy apply to transactions in the Company’s and Gerdau S.A.’s securities, including their common stock and options to purchase common stock, stock appreciation rights, and any other type of securities that the Company or Gerdau S.A. may issue, such as preferred stock, convertible debentures, warrants and exchange-traded options or other derivative securities. Notwithstanding the foregoing, trading in securities of Gerdau S.A. by directors of the Company who are also directors or officers of Gerdau S.A. shall be governed by Gerdau S.A.’s trading policy.

Trading for Speculative Purposes

To limit the possibility of any suspicion of improper trading, directors, officers and employees should trade in securities of the Company only for investment, and not speculative purposes.

Prohibited Activities

No director, officer or employee should trade in:

- securities of the Company or Gerdau S.A. while in possession of material, non-public information concerning either the Company or Gerdau S.A., or securities of any other company while in possession of material, non-public information

concerning such other company, in any case notwithstanding that there may be an independent, justifiable reason for a purchase or sale; or

- any interest or position relating to the future price of Company securities, such as a put, call or short sale (except for interests under certain Company-sponsored benefit plans described below under “**Employee Benefit Plans**”).

No Insider (as herein defined) should trade in:

- Company or Gerdau S.A. securities outside of the applicable “trading windows” or during any special “blackout periods” described below under “**Trading Windows and Blackout Periods.**”

It is a violation of this Policy, and possibly illegal as well, to trade the securities of any company in a way which attempts to hide the true identity of the trader or to mislead others as to exactly who is doing the trading. Accordingly, it is a violation of this Policy for any director, officer or employee or family member to trade for his or her own account by using fictitious names, to trade in the names of or through relatives or friends, or to use brokerage accounts under fictitious names.

Trading Windows and Blackout Periods

Trading Windows and Blackout Periods apply to Company “Insiders.” Insiders are those persons such as directors, officers with a rank of Assistant Vice President or higher, and employees regularly involved in the preparation of the Company’s financial statements, and their respective administrative assistants, whose positions with the Company make it likely that they will routinely have access to material non-public information, as designated by the Compliance Officer from time to time.

Trading Windows for Insiders. During any fiscal quarter, Insiders of the Company may trade in Company or Gerdau S.A. securities only during the period beginning after the close of trading on the second full trading day following the Company’s widespread public release of quarterly or year-end operating results and ending on the seventh day prior to the end of the current fiscal quarter after following the pre-clearance procedures described below under “**Pre-Clearance Procedures.**”

No Trading During Trading Windows While in the Possession of Material, Non-Public Information. No one in possession of material, non-public information concerning the Company should trade in Company or Gerdau S.A. securities even during applicable trading windows. Persons possessing such information may trade during a trading window only after the close of trading on the second full trading day following the Company’s widespread public release of the information.

No Trading during Blackout Period. No Insider should trade in Company or Gerdau S.A. securities outside of the applicable trading windows or during any special blackout periods that either the President or the Vice President, Finance may designate and that will be communicated promptly on designation. No one should disclose to any outside

third party that a special blackout period has been designated. Limit/stop loss orders cannot be executed during a blackout period.

Exceptions for Hardship Cases. The Compliance Officer (identified below under “**Pre-Clearance Procedures**”) may, on a case-by-case basis, authorize trading in Company or Gerdau S.A. securities outside of the applicable trading windows (but not during special blackout periods) due to financial hardship or other hardships, but only in accordance with the procedures set forth below under “**Hardship Exceptions.**”

Pre-Clearance Procedures

The pre-clearance procedures shall apply to all Company Insiders and shall be administered by the Company’s Treasurer (the “Compliance Officer”). No Insider may trade in Company or Gerdau S.A. securities until:

- the person trading has notified the Compliance Officer in writing of the amount and nature of the proposed trade(s),
- the person trading has certified to the Compliance Officer in writing no earlier than two business days prior to the proposed trade(s) that (i) he or she is not in possession of material nonpublic information concerning the Company and (ii) the proposed trade(s) do not violate the trading restrictions of applicable securities laws, including Rule 144 under the United States Securities Act of 1933, Section 76 and Part XXI of the Securities Act (Ontario), Part VIII of the Regulation to the Securities Act (Ontario), or National Instrument 55-101 in Canada, and
- the Compliance Officer has approved the proposed trade(s).

Trading transactions by the Compliance Officer shall be made only when approved by the Vice President Finance and Chief Financial Officer following a procedure similar to that outlined above.

Hardship Exceptions

The Compliance Officer may, on a case-by-case basis, authorize trading in Company or Gerdau S.A. securities outside of the applicable trading windows due to financial hardship or other hardships only after

- the person proposing to trade has notified the Compliance Officer in writing of the circumstances of the hardship and the amount and nature of the proposed trade(s),
- the person proposing to trade has certified to the Compliance Officer in writing no earlier than two business days prior to the proposed trade(s) that he or she is not in possession of material nonpublic information concerning the Company, and
- the Compliance Officer has approved the trade(s).

No Obligation to Approve Trades

The existence of the foregoing approval procedures does not in any way obligate the Compliance Officer to approve any trades requested by Insiders or hardship applicants. The Compliance Officer may reject any trading requests in his or her sole reasonable discretion.

Priority of Statutory and Other Trading Restrictions

The trading prohibitions and restrictions set forth in this Policy do not override certain other trading restrictions under applicable law and regulation or under contract obligations of individual shareholders. Any trade or other transaction in the Company's securities must also satisfy applicable restrictions imposed by law, regulation and contract. These additional restrictions include but are not limited to (i) the prohibitions on "short-swing" trading under Section 16(b) of the U.S. Securities Exchange Act of 1934, (ii) resale limitations under SEC Rule 144 under U.S. Securities Act of 1933, (iii) contract rights in favor of the Company, or (iv) Multilateral Instrument 45-201 in Canada. Any director, officer or employee who is uncertain whether other prohibitions or restrictions apply to a proposed transaction in the Company's securities should ask the Compliance Officer.

The requirements for compliance with other applicable statutory and contract restrictions on trading in Company securities are beyond the scope of this Policy. For additional information regarding appropriate compliance procedures, contact the Compliance Officer.

V. EMPLOYEE BENEFIT PLANS

Employee Benefit Plans

The trading prohibitions, procedures and restrictions of this Policy do not generally apply to periodic contributions by the Company or employees to employee benefit plans (e.g., pension or 401k plans) that are used to purchase Company securities pursuant to the employees' advance instructions. However, no Insider may alter his or her instructions regarding the purchase or sale of Company securities in such plans while in the possession of material nonpublic information.

Stock Option and Stock Purchase Plans

The trading prohibitions, procedures and restrictions of this policy generally apply to the acquisition of securities upon the exercise of stock options granted by the Company and to the exercise of stock appreciation rights, but do not generally apply to the acquisition of securities purchased under an employee stock purchase plan. However, the trading prohibitions, procedures and restrictions apply fully to any sale or other transaction in such securities.

VI. POTENTIAL SANCTIONS

Civil and Criminal Penalties

The consequences of improper trading or disclosure can be severe. Persons violating insider trading or tipping rules can be:

- accountable to the issuer of the securities traded for any benefit or advantage received as a result of the purchase, sale or communication (i.e. any profit made or loss avoided);
- liable to compensate the seller or purchaser of the securities traded from damages as a result of the trade; and
- subject to criminal penalties up to the greater of three times the profit made or loss avoided or \$1,000,000, as well as a jail term.

The Company may also be required to pay significant civil or criminal penalties and could, under certain circumstances, be subject to private lawsuits by contemporaneous traders for damages suffered as a result of illegal insider trading or tipping by persons under the Company's control.

Company Discipline

Violation of this Policy or applicable laws or stock exchange requirements by any employee may subject that person to disciplinary action by the Company, which could include termination for cause.

Reporting of Violations

Any director, officer or employee who violates this Policy or any applicable laws, regulations or stock exchange requirements, or knows of any such violation by any other employees, should report the violation immediately to the Compliance Officer.

Cooperation with Authorities

It is the Company's policy to cooperate with any authority that has jurisdiction and is investigating any trading in the Company's securities, any trading activities by an employee or alleged improper disclosure by the Company or any employee.

VII. ADMINISTRATION OF THE POLICY

Compliance Officer

The Company's Treasurer has been designated as the "Compliance Officer," the Company official responsible to oversee the procedures and guidelines relating to timely and fair disclosure and trading in Company securities set forth in this Policy.

In addition to the responsibilities specified elsewhere in this Policy, the Compliance Officer has been asked to:

- interpret this Policy and monitor compliance with its provisions;
- respond to inquiries relating to this Policy; and
- ensure that copies of this Policy are provided to all persons who he determines may have access to material, non-public information concerning the Company.