



**Republic Engineered Products, Inc.**  
**Policy Statement on Securities Trading and Disclosure**

**Statement of Purpose**

Republic Engineered Products, Inc. (the “Company”) is committed to full, fair and consistent disclosure to investors in compliance with all applicable securities laws. Our corporate policy, reflecting current legal requirements, is that our employees and board members will not make any disclosure of material nonpublic information about the Company or its affiliated companies, including Industrias CH, S.A. de C.V. and Grupo Simec, S.A. de C.V. (together with the Company, the “Companies”), to anyone outside the Companies (other than to persons who first are obliged in writing or otherwise to maintain confidentiality, as discussed below), unless such information is disclosed to the public prior to such disclosure or at the same time.

This is a highly technical area with important consequences for the Company. If you believe that a disclosure of material nonpublic information about any of the Companies may have occurred or have questions regarding the application of this policy, immediately notify our Vice President, Human Resources and Corporate Relations.

Here are examples of areas affected by this policy:

- Quarterly earnings releases
- Responding to market rumors
- Contacts with media representatives or financial analysts covering any of the Companies
- Reviewing analyst reports and similar materials
- Referring to or distributing analyst reports on any of the Companies
- Analyst, investor, or media representative visits
- Postings on our website
- Speeches, interviews and conferences

This policy covers all disclosures to people other than to our fellow employees and those who otherwise have an obligation to keep the information confidential, as provided below, including those who might be expected to trade in our securities, including our stockholders and other securityholders, securities brokers and dealers, financial analysts, financial institutions and media representatives. There are also certain people who are required by professional responsibility or by contract to keep our information confidential. These include our attorneys, our accountants, our investment bankers, and people or entities that are subject to nondisclosure agreements with us. If you are in doubt as to whether someone falls within this category, you should contact the Vice President, Human Resources and Corporate Relations for guidance.

This policy is part of the Company's Business Conduct Policy and as such is expressly subject to the available guidance, reporting obligations, potential sanctions and Acknowledgment requirements articulated in that Policy. This policy supercedes that Policy to the extent it is inconsistent with that Policy.

### **What is Material Nonpublic Information?**

Information is "material" if a reasonable investor would consider it significant in a decision to buy, hold or sell securities. Put another way, information that could reasonably be expected to affect the price of a security, either positively or negatively, is material.

Common examples of information that will frequently be regarded as material are information relating to:

- earnings or losses that are higher or lower than generally expected by the investment community;
- a pending or proposed merger, acquisition or sale of part of any of the Companies businesses;
- impending securities offerings by any of the Companies;
- changes in management;
- new products or discoveries;
- negotiations regarding an important license or joint venture;
- changes in dividend policy or a proposed stock split or stock dividend; and
- impending financial or liquidity problems.

Other types of information may also be material; no complete list can be given.

Information is "nonpublic" or "inside information" until it has been made available to investors generally and, with respect to insider trading, the market has had time to digest it.

### **Designation of Authorized Spokespersons**

All calls concerning the Company from investors, financial analysts, rating agencies, the financial press or other media ("Financial Inquiries") are referred to the following authorized spokespersons:

- the Chief Executive Officer;
- the Chief Financial Officer;



- the Vice President, Human Resources and Corporate Relations; and
- other people who may be designated in writing as spokespersons for the Company by any of the above individuals.

Authorized spokespersons are generally expected to participate in a multi-disciplinary, continuous communications approach which also involves participation by other appropriate senior personnel as part of the Company's Disclosure Committee.

### **Duties of Management**

As a general matter, management of the Company, primarily through the Company's Disclosure Committee, has the responsibility to determine the content, form and timing of public disclosure, consistent with our legal responsibilities and with the best interests of the Company.

### **Duties of Employees**

When hired, employees of the Company are instructed to refer any Financial Inquiries to the above-authorized spokespersons and are prohibited from discussing material nonpublic information about any of the Companies in violation of this policy. If you receive a request from someone outside the Companies for material nonpublic information (for example, seeking guidance about our quarterly results, or asking for confirmation of a rumor), you should not respond. If you believe a response may be needed, ask for the person's name and number and immediately contact the Chief Financial Officer.

### **Guidance**

The Companies disseminate general guidance about expected sales growth and operating expenses during the quarterly earnings conference calls and otherwise as described in this policy. We are committed to maintaining realistic investor expectations in providing such guidance.

### **Record-Keeping**

We maintain binders containing all press releases, public filings, news stories and analysts' reports relating to the Companies, and monitor those binders periodically, to ensure that public perceptions of the Companies conform to reality. At a minimum, in preparing quarterly or annual reports and MD&A disclosures, we evaluate prior disclosures. Where circumstances have changed with the passage of time, or prior statements may have been rendered materially inaccurate due to intervening developments, the need to correct or update the prior disclosure should be carefully considered.

### **Responding to Analysts' Projections**

We always speak in terms of our most recent business update. The most risk-adverse approach, legally speaking, is to decline all comment on earnings estimates, but this approach is not realistic because we provide detailed guidance during our quarterly earnings release conference calls

and otherwise as described in this policy. We do not specifically endorse external estimates and under no condition will we comment on a particular earnings estimate. We also:

- Do not allow analysts to attribute statements to named corporate sources.
- Do not edit, review or republish an analyst's report.
- Do not otherwise expressly or implicitly adopt, approve, ratify or endorse the content of an analyst's report.
- Consider responding to an erroneous analyst's report which may create Company liability by making corrective disclosure.

### **Reviewing Analysts' Reports**

If we review analyst reports, we correct/update only factual assumptions underlying analysts' projections which assumptions are materially inaccurate. We do not endorse analyst conclusions, particularly earnings forecasts, financial projections or recommendations. We do not confirm or deny any of the reports' statements regarding future predictions or projections nor do we confirm the accuracy of the earnings models. Furthermore, we do not mail any research reports at the request of individuals nor do we include them in our investor relations packages.

### **Commenting on Rumors**

Whether or not a rumor has any basis in fact, we normally will respond through one of our authorized spokespersons by saying, in essence: "Our policy is not to comment on rumors or speculation." Like most companies, we follow this approach consistently in order to avoid providing an implied confirmation or denial in other circumstances. Any exceptions to this policy must be approved by the Vice President, Human Resources and Corporate Relations. However, our policy is to promptly disclose material corporate developments, including those that would render a prior disclosure materially inaccurate.

### **Pre-clearing Speeches and Other Public Presentations**

All proposed disclosures of material nonpublic information about any of the Companies, or participation in speeches, interviews or conferences where persons covered by this policy may be in attendance, must be reviewed and approved by the Vice President, Human Resources and Corporate Relations. Spokespersons should adhere to the script and not disclose any material nonpublic information about any of the Companies during any "break out" or question-and-answer sessions.

### **Conference Calls**

Quarterly conference calls may be held in conjunction with quarterly earnings releases, after each earnings release is issued. Any such calls are open to all investors by phone as well as live webcast, and a playback may be made available from a 1-800 number for a period of time after the call. Additionally, an archived webcast may be available for a period of time after the call.



## **Investor Conferences, Analyst and Stockholder Meetings**

All investor conference presentations, analyst meetings and stockholder meetings are webcast live. The Companies will not participate in investor conferences where Company presentations and breakout sessions are not webcast.

## **Visitors from the Financial Community**

On occasion, members of the financial community may be invited into a Company facility. All engagements involving the financial community are to be arranged through the Chief Financial Officer, and none of these are to occur during a Quiet Period, as defined below, prior to any scheduled earnings release date.

## **Quiet Periods**

We generally do not discuss any new information related to the current quarter's performance with investors following our business update until the issuance of the quarter end earnings release. This policy helps ensure that we do not selectively disclose material nonpublic information. The objective of the quiet period is to minimize the potential for misinterpretation and the spread of rumors prior to our earnings announcements.

## **Selective Disclosure**

We are extremely sensitive to the issues of selective disclosure and our aim is to treat all investors fairly and equally. We believe our conference call and guidance policies help to prevent selective disclosure of material nonpublic information.

## **Use of Meaningful Cautionary Statements**

Forward-looking information should be disclosed only if there is adequate contemporaneous documentation of our good faith and the reasonable basis for such information. The principal assumptions underlying the forward-looking information should be summarized with the information, as should any specifically-identifiable risks that the anticipated results may not materialize. Forward-looking statements should be labeled as such and should be accompanied by "meaningful cautionary statements" identifying important factors which could cause actual results to differ materially. We use appropriate meaningful cautionary statements with respect to forward-looking statements, including those about our anticipated financial performance, at the beginning of our quarterly conference calls with the investment community and whenever we communicate with analysts or investors. Meaningful cautionary statements are also incorporated in all our written investor relations documents and other appropriate public disclosure.

## **On-line Chat Rooms**

While we may monitor what others are saying about the Companies on several chat rooms located on the World Wide Web, we do not respond to rumors or correct any inaccuracies that might appear. The Company prohibits employees from discussing business information that belongs to the Company on Internet chat rooms during working hours and from using Company computer systems

for such purposes. Employees need to know that unless they are authorized spokespersons for the Company, their discussion in any forum, including Internet chat rooms, can have a detrimental impact on the Company. Employee participation in chat rooms may compromise sensitive Company information and violates this policy.

### **Insider Trading and Tipping**

The Company prohibits any employee, officer or director of the Company or any consultant to the Company (1) from buying or selling common stock or other securities of any of the Companies while aware of material nonpublic information relating to any of the Companies or (2) from communicating such material nonpublic information to someone else who then acts on it by buying or selling any of the Companies' securities.

This policy also applies to material nonpublic information about any other company with whom the Company is negotiating or does business. You may not trade in the securities of any company on the basis of such information, nor may you communicate information about any such company to others.

Furthermore, the same restrictions apply to family members and others living in your household who gain access to or become aware of material nonpublic information. You are also responsible for their compliance.

As a general rule, if you know of material nonpublic information about any of the Companies, you should not engage in any trading in any of the Companies' securities until forty-eight hours after the information is publicly announced. If the information relates to Company financial performance, you should wait until forty-eight hours after the issuance of a quarterly earnings release (the "earnings dissemination time"). An exception to this rule is trading in compliance with SEC Rule 10b5-1 pursuant to a contract, instruction or plan previously established at a time when you were not aware of material nonpublic information (a "10b5-1 plan"). Any 10b5-1 plan should be approved by the Vice President, Human Resources and Corporate Relations before it is final.

***Directors, executive officers and certain employees of the Company are subject to special restrictions.*** It is a violation of Company policy for a director, executive officer or certain employees with access to material nonpublic information (to be determined by the Company from time to time) to engage in any trading in the Company's securities during a "blackout period" that covers the last two weeks of the month ending each calendar quarter and the period from the end of that quarter until the earnings dissemination time. Exceptions, other than trading pursuant to an approved 10b5-1 plan, may only be made with the prior approval of the Vice President, Human Resources and Corporate Relations.

Directors and executive officers are also required to pre-clear with the Vice President, Human Resources and Corporate Relations any proposed changes in their beneficial ownership of Company securities.

There is no exception to this policy for transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure).

## **Unauthorized Disclosure of Material Nonpublic Information**

If an employee believes that material nonpublic information may have been disclosed in violation of this policy, such employee must immediately contact the Vice President, Human Resources and Corporate Relations. In certain circumstances, steps to protect the Company and the employee may still be available. Applicable laws give the Company a short period, generally 24 hours, after discovery of an inadvertent selective disclosure of material nonpublic information to disclose such information to the public.

### **Why should these issues concern me?**

As a Company employee, you are expected to comply with all Company policies. The Company may be subject to SEC enforcement actions alleging violations of the federal securities laws, including Regulation FD, if this policy is violated. The SEC could, among other things, bring an administrative action against the Company seeking a cease-and-desist order, or a civil action seeking an injunction and/or civil money penalties. In certain cases, the SEC could also bring an enforcement action against an individual at the Company responsible for the violation.

In view of the seriousness of these matters, the Company will discipline any person who violates these policies by any appropriate means, including dismissal for cause. Any of the consequences for violation of these policies, and even an investigation that does not result in the finding of a violation, can tarnish your reputation and irreparably damage you and the Company.

Anyone with questions about specific transactions may obtain additional guidance from the Vice President, Human Resources and Corporate Relations.