

**INTERNAL REGULATIONS OF THE FISCAL COUNCIL  
OF COMPANHIA SIDERÚRGICA NACIONAL**

**Chapter I. Purpose of the Internal Regulations**

**1.1.** The purpose of these Internal Regulations (“Regulations”) is to establish the rules applicable to the Fiscal Council of Companhia Siderúrgica Nacional (“Company”) in the years in which it is installed, regarding its structure, operation and duties, in accordance with the provisions set forth in the Bylaws of the Company, Law 6,404/76 (“Brazilian Corporate Law”), the applicable regulations, and the best Corporate Governance practices.

**1.2.** These Regulations intend to ensure that the competences, duties and responsibilities of Fiscal Council members, as provided for in the Brazilian Corporate Law, in line with the highest Corporate Governance standards.

**1.3.** The rules provided for herein establish the mechanisms and procedures that, as provided for in the Brazilian Corporate Law, seek to guide the initiatives of each Fiscal Council member by creating an organized information flow and a productive work dynamics, so that Fiscal Council members are able to fully exercise their functions in an organized manner, always in the best interest of the Company.

**Chapter II. Responsibilities of the Fiscal Council**

**2.1.** The Fiscal Council is responsible for:

**2.1.1.** Inspecting, through any of its members, the Company’s management accounts and acts of regarding the year in course, including the acts of managers. The revaluation of acts and accounts regarding previous years, and already approved by the annual shareholders’ meeting, is prohibited;

**2.1.2.** Checking compliance with the law and the By-laws by managers. It is not incumbent on the Fiscal Council to analyze the convenience and opportunity of the acts of managers, or to interfere in their activities;

**2.1.3.** Issuing an opinion on the annual management report. This opinion must include supplemental information deemed necessary or useful for the resolutions of the shareholders’ meeting;

**2.1.4.** Issuing an opinion on the legality and regularity of management bodies’ proposals to be submitted to the annual shareholders’ meeting with respect to changes in capital stock, issue of debentures or subscription warrants, investment plans or capital budgets, distribution of dividends, transformation, merger, consolidation or spin-off;

**2.1.5.** Reporting, through any of its members, to management bodies – and, if these fail to take the necessary measures to protect the interests of the company, to

the annual shareholders' meeting - any errors found, and suggesting measures that are useful to the company;

**2.1.6.** Calling the annual shareholders' meeting, if management bodies fail to do so for more than one (1) month, and the special shareholders' meeting, whenever severe or urgent events occur, and including the matters deemed necessary in the agenda of the meetings;

**2.1.7.** Analyzing, at least on a quarterly basis, the trial balance and other financial statements regularly prepared by the Company;

**2.1.8.** Examining the financial statements for the year and issuing an opinion thereon;

**2.1.9.** Exercising these duties upon liquidation, considering the special provisions applicable to the matter;

**2.1.10.** Supplying, upon the affirmative voting of all members of the Fiscal Council, to the Company's shareholder or group of shareholders representing at least five percent (5%) of the Company's capital stock, whenever requested, information on matters under the authority of the Fiscal Council, and refraining from doing so, with due justification, in situations where supplying such information might put the best interest of the Company at risk, or represent the disclosure of privileged or sensitive information regarding Company activities;

**2.1.11.** Attending the annual shareholders' meetings, in the person of at least one of its members, and responding to all requests for information made by Company shareholders;

**2.1.12.** Attending, in the person of any of its members, the meetings of the board of directors or the executive board in order to resolve on any of the matters described in items 2.1.3., 2.1.4. and 2.1.8. hereof, pursuant to Article 163, paragraph 3, of the Brazilian Corporate Law. On these occasions, the Fiscal Council shall inform its opinion on the matter – as approved by the majority of its members during the Fiscal Council meeting –, as well as any dissenting votes;

**2.1.13.** Requesting to the Company's management and the external auditors, if necessary, clarifications or information, as long as these relate to its function of inspecting specific facts, in compliance with the agenda of resolutions of the Fiscal Council and the provisions set forth in item 2.2. hereof; and

**2.1.14.** For purposes of investigating issues that must be clarified for the performance of its duties, preparing questions, and justifications thereof, to be answered by an expert, and requesting to the executive board, for this purpose, in no later than thirty (30) days, the indication of three individual or corporate experts with notorious knowledge of the area in question, among which the Fiscal Council shall select one.

**2.2.** Requests for information and documents to Company management and the external auditors, pursuant to item 2.1.13 above, should be made exclusively upon resolution by the Fiscal Council or request by any of its members, always through the Fiscal Council Secretariat. Fiscal Council members may directly request documents and information if the Fiscal Council Secretariat fails to do so within thirty (30) days as from the resolution or request presented.

**2.3.** The responsibilities and powers granted to the Fiscal Council under the law may not be granted to other Company bodies.

**2.4.** The actions of other bodies and committees with technical or advisory functions, or intended to provide guidance to the managers, whether or not statutory, are not subject to inspection by the Fiscal Council since these bodies and committees do not perform managerial activities.

### **Chapter III. Composition and Operations**

**3.1.** The Fiscal Council shall be made up of individuals elected by the annual shareholders' meeting, as provided for in the Brazilian Corporate Law.

**3.2.** The members of the Fiscal Council shall take over their relevant positions upon signature of the Instrument of Investiture, which shall be entered on the Book of Minutes of the Meetings of the Fiscal Council.

**3.3.** The members of the Fiscal Council shall remain in office until the first annual shareholders' meeting after their election, reelection being permitted.

**3.4.** In the case of absence, impediment or temporary vacancy of a permanent member, the latter shall be replaced by his/her relevant alternate at the meetings of the Fiscal Council.

**3.5.** In the case of resignation, dismissal, death or definitive impediment of Fiscal Council members, these shall be replaced by their relevant alternates until the end of their term of office.

**3.5.1.** Alternates taking permanent office in the Fiscal Council shall be deemed as permanent members for purposes of these Internal Regulations.

**3.5.2.** Fiscal Council members should inform their resignation in writing to the Chairman of the Fiscal Council.

**3.5.3.** In the absence of an alternate available to take over the vacant position permanently, the Fiscal Council shall notify the Board of Directors, which shall call the annual shareholders' meeting, which, in turn, shall elect a member for the vacant position, as well as the relevant alternate.

**3.6.** The members of the Fiscal Council are responsible for appointing a Chairman among their permanent members, by a majority of votes. The election of the Chairman shall occur in the first Fiscal Council meeting of the year in which the body was installed.

- 3.7.** The Chairman of the Fiscal Council is responsible for:
- 3.7.1.** Calling and chairing Fiscal Council meetings;
  - 3.7.2.** Preparing the agenda of all Fiscal Council meetings, sending the relevant supporting materials to the other members, when applicable;
  - 3.7.3.** Guiding the activities, checking the voting, and announcing the results of resolutions made at Fiscal Council meetings;
  - 3.7.4.** Representing the Fiscal Council and presenting to management bodies, the annual shareholders' meeting, or to shareholders who meet the requirements established in Article 163, paragraph 6 of the Brazilian Corporate Law, the information and clarifications requested to the Fiscal Council on matters under its responsibility, as provided for in item 2.1.10, without prejudice to the provisions of said Law.;
  - 3.7.5.** Signing and receiving the correspondences of the Fiscal Council, or delegating this responsibility to other Fiscal Council members;
  - 3.7.6.** Permitting, or not permitting, upon consultation to the other Fiscal Council members, the presence of third parties in meetings;
  - 3.7.7.** Appointing the person in charge of the Fiscal Council secretariat;
  - 3.7.8.** Representing the Fiscal Council in its relationship with the Board of Directors, the Executive Board and the external audit, committees or internal sectors, complying with the provisions set forth in item 2.1.12 hereof and paragraph 3 of Article 163 of the Brazilian Corporate Law, without prejudice to the provisions of said law.;
  - 3.7.9.** Attending the annual shareholders' meeting, as provided for in Article 164 of the Brazilian Corporate Law, or designating other Fiscal Council member to attend it;
  - 3.7.10.** Addressing the Fiscal Council Secretariat in order to get, from the management or the external auditors, the information and documents requested by any of its members in accordance with item 2.1.12 above, and required by the Fiscal Council to perform its duties;
  - 3.7.11.** Requesting the Fiscal Council Secretariat to send the resolutions adopted by the Fiscal Council to the person in charge; and
  - 3.7.12.** Caring for compliance with these Internal Regulations and other regulations applicable to the performance of the Fiscal Council.

**3.8.** In the case of temporary vacancy or impediment of a member, the Chairman of the Fiscal Council shall appoint one of the members to replace him/her in his/her functions.

**3.9.** In case of definitive vacancy of the position of Chairman, the Fiscal Council shall meet with the specific purpose of deciding, by a majority of votes, on the election of the new Chairman.

#### **Chapter IV. Duties and Responsibilities**

**4.7.** The members of the Fiscal Council shall be responsible for any loss resulting from omission in the fulfillment of their duties, as provided for in Articles 153 to 156 of the Brazilian Corporate Law; from fault or willful misconduct; or from the violation of the law, the By-laws or these Internal Regulations.

**4.8.** The duties of Fiscal Council members may not be delegated, and they should be aimed exclusively at the interests of the Company.

**4.8.8.** The actions taken by a Fiscal Council member in favor of the interests of a shareholder or group that has elected him/her shall be deemed as abusive.

**4.8.9.** Exercising the function with the purpose of causing loss for the Company or its shareholders or managers, or obtaining, for oneself or third parties, advantages to which one is not entitled to and that result, or may result, in loss for the Company, its shareholders or managers, shall be deemed as abusive.

**4.8.10.** The exercise of prerogatives relating to the position of member of the Fiscal Council with the purpose of having access to confidential documents and privileged or sensitive information regarding the Company's activities and not related to the duties performed in the Fiscal Council shall be deemed as abusive.

**4.8.11.** Sharing information and documents that are known due to the duties performed in the Fiscal Council of the Company shall be deemed as abusive.

**4.9.** If the abusive exercise of duties is characterized, management bodies may, with due justification, refuse any requests for clarifications, information or arrangements relating to illegal acts.

**4.10.** Fiscal Council members must declare themselves as being impeded whenever they have a particular or conflicting interest regarding the subject matter submitted for their approval, and their presence in the discussion of the subject shall be prohibited.

**4.11.** The Fiscal Council shall only exercise its duties regarding management's facts and acts occurring in the year in which the Fiscal Council was elected.

**4.12.** All and any information to which Fiscal Council members may have access due to the exercise of their duties must be treated as confidential and used only for the performance of their duties, under penalty of civil, criminal and administrative liability.

**4.13.** The members of the Fiscal Council must follow the Code of Ethics, the Policy on Disclosure of Material Act or Fact and the Securities Trading Policy, as well as the internal regulations and rules of the Company.

**4.14.** The members of the Fiscal Council must immediately inform any changes in their holdings in the Company to the Investor Relations Department of the Company, as set forth by the *Comissão de Valores Mobiliários* (Brazilian Securities Commission) and the internal policies of the Company.

**4.15.** The members of the Fiscal Council must inform to the Company, through the Fiscal Council Secretariat, any changes in their personal data and those of connected persons, as well as any supervening fact that may raise a conflict of interest and impediment regarding their exercise of the position.

## **Chapter V. Procedures**

**5.7.** The Fiscal Council shall meet ordinarily at each three (3) months, as per the schedule approved in the first meeting after the annual shareholders' meeting, and extraordinarily, when called by the Chairman of the Fiscal Council, or at least by two of its members, or at the request of managers, in case of matters that must be analyzed by the Fiscal Council.

**5.7.8.** The meetings may include exclusive sessions with the presence of Fiscal Council members only.

**5.8.** The meetings shall take place at the head office of the Company or, if previously agreed by all acting members, in another place. The meetings shall take place in business hours and on business days.

**5.9.** The meetings of the Fiscal Council shall be called by the Chairman of the Fiscal Council no later than seventy-two (72) hours before the date of the meeting.

**5.9.8.** Calls delivered in person, sent by e-mail or mail with acknowledgement receipt, and addressed to the members of the Fiscal Council individually shall be deemed valid.

**5.9.9.** Regardless of call formalities, the meetings attended by all Fiscal Council members and expressly approved by them regarding its date, time and place shall be considered regular.

**5.9.10.** Together with the call, the agenda of the meeting and any supporting materials shall be forwarded to the members of the Fiscal Council.

**5.9.11.** In case of urgency, and in the Company's legitimate interest, at the discretion of the Chairman of the Fiscal Council, the meetings may be called in a period shorter than that mentioned in item 5.3. above. In this situation, the minimum term for sending the supporting material may be waived.

**5.9.12.** After receiving the call, Fiscal Council members who shall not be able to attend the meeting must inform this fact to the Chairman of the Fiscal Council in due time, so that the latter can have sufficient time to call the relevant alternates.

**5.9.13.** The minutes of the meeting shall be sent by the Fiscal Council secretary for approval by the Fiscal Council members within ten (10) business days as from the date of the meeting. Fiscal Council members shall forward their suggestions and approvals by e-mail, and the approved minutes shall be drawn up in a proper book and signed by Fiscal Council members at the following meeting.

**5.10.** The meetings shall be convened with the presence of the majority of Fiscal Council members, and their resolutions shall be approved upon favorable voting of the majority.

**5.10.8.** Advanced votes in writing and votes sent by e-mail or any other communication means shall be accepted, and the members voting through these means shall be considered as present in the meeting. All members attending the meeting through conference call, video conference or any other form of communication that may allow their identification, shall be considered as present in the meeting.

**5.10.9.** The sequence of proceedings at the meetings shall be as follows: (a) attendance check; (b) routine work; (c) reporting, discussion and voting of the matters in the agenda; and (d) miscellaneous subjects.

**5.11.** Upon the request of any of the members, the Fiscal Council Secretariat may invite the Executive Officers, employees, consultants, external auditors and members of the Board of Directors and the internal audit of the Company, as applicable, to attend the meetings, and they shall remain in the meeting only during the time required to discuss the subjects relating to their activities.

**5.12.** The minutes of Fiscal Council meetings shall be drawn up in a proper book indicating the date and place of the meeting, the members of the Fiscal Council and other attending persons, and briefly describe the information provided and the decisions made, in accordance with the norms in effect.

**5.13.** The minutes of the meeting shall be drawn up in the form of a summary of the events occurred, and include any dissenting opinions or protests, which shall be certified by Fiscal Council members and filed at the Company's headquarters.

**5.14.** Through the Fiscal Council Secretariat, the Fiscal Council shall send the copies of its recommendations and opinions to management bodies and the annual shareholders' meeting.

## **Chapter VI. General Provisions**

**6.7.** Cases not mentioned herein, or any doubt regarding the content and application of these Regulations, shall be resolved by the Chairman of the Fiscal Council upon application of the corporate legislation and the Company's By-laws.

**6.8.** These Regulations shall only be amended with the approval of the majority of Fiscal Council members.

**6.9.** Acting Fiscal Council members shall be entitled to receive a monthly fixed compensation, as decided by the annual shareholders' meeting.

**6.9.8.** If a permanent member of the Fiscal Council is absent from at least one meeting held in a given month, he/she shall receive fifty percent (50%) of the Fiscal Council monthly fee. Alternates attending the meetings held in a given month or any session of said meetings to replace their respective permanent members shall receive fifty percent (50%) of the Fiscal Council monthly fee.

**6.9.9.** Fiscal Council members shall also be entitled to reimbursement of travel and accommodation expenses required for the performance of their duties.

These Regulations shall be in force as from the date of their approval by the Fiscal Council, on November 5, 2018, and shall be filed at the Company's head office.