



Compliance Program

**Compliance Manual for
Corruption Prevention
Brazil**

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INTRODUCTION

A Word from the Chief Executive Officer

Dear colleagues and partners to our business,

We at Vallourec are proud of our position as a leading supplier of premium tubular solutions and services, for the energy markets as well as for other industrial applications.

Our strong values of integrity and transparency, standards and professionalism, respect for people, a joint commitment, performance and responsiveness are the basis of the trustful and confident way of collaboration among us. These long-lasting values are mirrored in the relation with our business partners.

This fundament of our work ethics shall guide us into the future of Vallourec.

I am counting on you, whatever the country you work in, to uphold and act, under all circumstances, in accordance with the values, principles of actions and rules set out in our Code of Ethics.



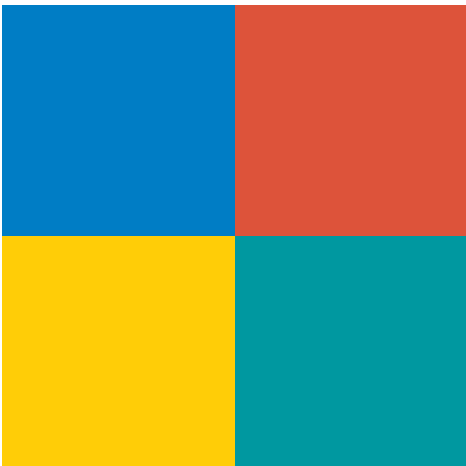
Philippe Guillemot
Diretor Executivo

PURPOSE OF THIS MANUAL

Vallourec undertakes its activities in compliance with all applicable international and national laws and regulations.

In this context, the main purpose of this Manual is to disseminate the business ethics and establish a set of guidelines and rules aimed at the detection, identification and/or combat of improper or illegal acts and behaviors.

The guidelines and rules of this Manual shall apply to Vallourec employees, customers and suppliers in Brazil.



I. VALLOUREC CODE OF ETHICS

The Code of Ethics defines the fundamental principles that guide the Vallourec corporate conduct in its internal and external relations and its actions in relation to its customers, suppliers, shareholders and all other public with whom the company relates to. It also establishes the fundamental rules of conduct to be followed by all Vallourec employees.

Since its adoption, the Code of Ethics is a reference for Vallourec to conduct its business, as well as being the basis for all internal procedures and training

on ethics and compliance. It also addresses sensitive and relevant issues, including, but not limited to, human rights, labor rights, corruption, competition, sustainable development, privileged information, and the observance of confidentiality rules that is required of each staff member.

All employees have a crucial role in disseminating the values and principles laid down in the Vallourec Code of Ethics.

II. GOVERNANCE AND COMPLIANCE AT VALLOUREC

The Director of Ethics and Compliance at Vallourec is responsible for coordinating the due promotion, implementation and application of the rules deriving from the Code of Ethics, reporting to the Executive Board, and being assisted by a network of local correspondents who are the point of contact in different geographical regions.

The Ethics Committee and its Chairman work in conjunction with the Management, Internal Controls, Internal Audit, Human Resources and Legal areas, to ensure that appropriate processes are

implemented, which includes Risk Mapping and Monitoring approaches, as well as the definition of Risk Indicators and a Response Strategy. The Internal Audit carries out checks to enable managers to take the necessary measures in situations where there is a breach of the rules deriving set out in the Code of Ethics.

The Ethics Committee established in Brazil verifies the effectiveness of Vallourec policies and handles cases of breach of the Code of Ethics.

III. COMPLIANCE PROGRAM IN BRAZIL

Vallourec strictly observes and complies with all anti-corruption laws applicable to its business, in particular the FCPA (Foreign Corrupt Practices Act), Sapin II (French Anti-Corruption Act), UK Bribery Act and it also acceded to the United Nations Global Pact of 2010 and its principle of combating any form of corruption, whether active or passive, direct or indirect, or from any public or private person.

Vallourec Compliance Program aims to provide a safe business environment, by strengthening the compliance in business practices and processes, based on a set of measures that aims to prevent, detect and remedy, in a systemic way, the occurrence of illegal conducts, that are misaligned with its Code of Ethics.

In Brazil, Vallourec has a Compliance Program created in accordance with the applicable legal provisions, notably Decree 8420 of March 18, 2015, and in particular Law 12846 of August 1, 2013, which provides for the administrative and civil liability of legal entities for the practice of acts against the public administration, whether national or foreign.

III.1 Law 12846, of 2013 – Brazilian Anti-Corruption Law

Corruption comprises several definitions. In a broader approach, it can be understood as abuse of power by an agent to gain benefits for himself/herself or for a third party. Some common corruption practices are: bribery, offering or accepting "hush money," or giving or receiving any undue advantage to influence a third party to engage in an unethical or illegal act.

Vallourec fights against any form of corruption, whether active or passive, direct or indirect or from any public or private person. All employees are prohibited from promising, offering, soliciting or accepting, directly or indirectly, any kind of advantage (money, commission, services, goods in kind, among others) that may violate the laws and regulations in force, in order to obtain, maintain, enter into or renew a contract, or be favored with some commercial or personal advantage.

Vallourec advises its partners to learn about its Code of Ethics, the Integrity Line and emphasizes, in all hirings, the need for them to know and comply with the anti-corruption laws applicable to their business. The partner's failure to comply with the anti-corruption laws is considered a serious infraction and gives the Group companies the right, acting in good faith, to declare the relationship immediately terminated.

III. 2 Risks and Sanctions of a Non-Compliance With the Anti-Corruption Legislation

All Vallourec employees must act as protagonists in the pursuit of the interests of the Company, as well as its reputation, and whenever they notice situations that are not in compliance with the Code of Ethics and the applicable laws, report what has happened, thus allowing that the situation is duly investigated and handled.

The risks of non-compliance with the anti-corruption legislation applicable to the business of Vallourec are wide and it may have consequences not only for the Company, but also for its employees, representatives and all individuals representing Vallourec, notably:

- direct financial losses, such as fines, penalties and having to pay back the profits earned;
- indirect financial losses such as the exclusion from participation in public tenders or the impossibility of contracting with public and private entities or participating in projects financed by either national and international organizations;
- the reputation of the Company may suffer severely if a breach of anti-corruption laws or the mere suspicion

of corruption become public. This can quickly lead to negative economic consequences;

- termination of business relationships by business partners who keep rigid anti-corruption policies (business agreements often include provisions authorizing their termination for breaching ethical standards);
- private companies are responsible for the infractions committed by their bodies (General Assembly, Board of Directors, Board of Executive Officers) or their legal representatives (Chairman of the Board, CEO, officers, employees with powers to represent it);
- the liability of the company does not necessarily exclude the personal liability of its legal representatives and other persons involved or informed on the acts in question;
- employees who act in disagreement with the Code of Ethics, Internal Rules and Policies, or breach the laws, are subject, in addition to the penalties provided for by Law, to administrative disciplinary measures, which may include warning, suspension and even termination of the employment contract, depending on the severity of his/her conduct.

IV. RULES AND PROCEDURES FOR RISK MITIGATION

Vallourec has a robust structure of procedures and internal controls to mitigate the risks of misconduct and ensure compliance with the laws applicable to the business of the Company.

IV. 1 Purchasing Policy

Vallourec has a specific internal rule to regulate any and all contracting suppliers of materials and services by the Group companies, through guidelines, competencies and controls applicable to the supply process.

The supply process must be in accordance with the principles and regulations provided for in the relevant legislation, the Vallourec Code of Ethics and in corporate policies.

The process of choosing suppliers is carried out in a transparent way, seeking to choose the best proposal by means of objective criteria, performing the business transactions in accordance with the policies and values practiced by Vallourec.

IV.2 Information Security Policy

In order to ensure the confidentiality of its information, Vallourec has rules, guidelines, principles and responsibilities concerning Information Security.

The information can be conveyed by different media, including data stored on computers or on magnetic media, transmitted on networks, printed, e-mails and/or conversations. All information generated or acquired by Vallourec is owned by it, regardless of its presentation or storage.

The Information Security Policy establishes guidelines for the management of the information owned by Vallourec, as for its:

Integrity: ensure that the information is kept in its original state, in order to protect it from undue, intentional or accidental changes in its custody or transmission;

Confidentiality: ensure that the access to information is only allowed to authorized persons; and

Availability: Ensure that the authorized users and the business processes of the organization have access to its information whenever necessary.

It is the responsibility of all employees to comply with the guidelines set forth in this Policy.

IV.3 Hiring of Third Party Intermediaries

The criteria for selection and hiring sales representatives are defined by means of a specific procedure that reinforces the ethical conduct and transparency in the commercial relations, being in compliance with the national and international regulations and also best market practices.

For the formal approval of his/her appointment, the sales representative must undergo a compliance check, by completing a Due Diligence Questionnaire.

In addition, some care is essential when hiring a new representative:

- make sure that the relationship will be formalized by means of a specific contract, according to the Vallourec standards, celebrated by respecting the market conditions;
- the agent must agree to comply with all Vallourec policies, standards and procedures, especially those provided for in its Code of Ethics and Compliance Policy;
- make sure that the hiring does not breach any law applicable to the business of Vallourec;
- control the conduct of the agent and terminate his/her contract if any misconduct is noticed.

IV. 4 Policy for Gifts, Representations, Hospitality and Entertainment

Vallourec has a specific procedure with the purpose of regulating the acts of receiving and offering gifts, representations, hospitality or entertainment, as well as defining the conditions for offering or accepting them.

The offer or acceptance of gifts, presents, representations or hospitality can be seen as a common practice when conducting business and is vital for maintaining the good institutional and/or business relations.

However, the supply of such items can influence (or may appear to influence) decisions. Likewise, its receipt by employees of Vallourec may affect the impartiality of decisions or generate the appearance of a conflict of interest.

The offer or receipt of non-institutional gifts, as well as presents, representations or hospitality (including paying for meals, travel, accommodation or entertainment expenses) to public servants, must, regardless of their value, comply with the rules and procedures described in the Vallourec procedure. As for private business employees, the limits for values, authorizations and form filling must be observed for each category of offer or receipt.

Payments of additional fees in order to hasten administrative proceedings will only be permitted if they are expressly provided for by Law and carried out in an official manner, paid directly to the public organization (through specific forms) and never to a public servant or intermediary.

The meaning of gift, representations, entertainment or hospitality should be broadly construed and include any item (tangible or intangible) that has a commercial value or which may generate a commercial advantage or benefit to the recipient. They include, but are not limited to, cash (or equivalents, such as gift cards or vouchers), valuables, goods or services, presents, travel tickets, event tickets, entertainment, promise or offer of employment, discounts or commercial advantages not available to the public domain, among others.

Donations or receipt of money (or their like, such as cards, vouchers, etc.) are not allowed under any circumstances.

Donations to the community can only be made after analysis and approval by a Community Integration Committee, and according to a specific procedure.

The offer or acceptance of

gifts, representations, hospitality or entertainment are allowed, provided they are proportionate and in full compliance with the internal procedures and regulations in force in the country, as well as according to the local habits and culture. Any action with intent to corrupt and/or intent to influence business decisions is strictly prohibited.

It is expressly prohibited to:

- accept or receive money;
- accept gifts, hospitality or entertainment from public agencies;
- offer gifts, hospitality or entertainment to public agencies;
- accept and/or offer benefits that may influence decision-making processes;
- accept or offer accommodation outside the professional context;
- offer/receive gifts, hospitality or entertainment addressed to family members.

IV.5 Policy for Sponsorship, Donations, Measures to Defend Institutional Interests and Relationship With Political Parties

Vallourec strives to add value to the local communities, in accordance with their cultures and customs, with special emphasis on improving their economic, cultural, educational and health conditions.

The organizations eligible for a donation or sponsorship must accede to the principles of the Vallourec Code of Ethics. Under no circumstances may a third party obtain a benefit through donations or sponsorships destined to a duly chosen institution, according to the criteria set out in applicable procedures.

Any activity involving sponsorship or donation must be formally approved, based on the internal procedures and the Code of Ethics of Vallourec.

Vallourec participates in a transparent manner in debates about the drafting of public policies or legal proceedings related to its area of business. Under no circumstances should the actions arising from this participation lead to an offer or promise of advantage to third parties.

The payment of funds and/or the provision of services on behalf of Vallourec to a political party or organization and to political personalities is prohibited. In particular, the use for political purposes of the premises of Vallourec, the Vallourec logo or any other resource belonging to Vallourec, is prohibited. If employees are in any way involved in a personal political activity, they are supposed to not emphasize any link with Vallourec.

IV.6 Policy for Prevention of Deviations, Fraud, Irregularities and Unlawful Acts Against the Public, National or Foreign Administration

The relationship of Vallourec with public organizations, at their different levels – municipal, state or federal – as well as its participation in bidding procedures is subject to the strict observance of the laws and principles established in its Code of Ethics.

In this context, the following practices are considered illegal for harming the public administration, in addition to others:

- a) frustrating or defrauding, through an adjustment, combination or any other expedient, the competitive nature of the public bidding procedure;
- b) preventing, disrupting or defacing the performance of any act of public bidding procedure;
- c) removing or seeking to remove a bidder by committing a fraud or by offering an advantage of any kind;
- d) defrauding a public bid or contract arising from it;
- e) creating, in a fraudulent or irregular way, a legal entity to participate in a public bid or enter into an administrative contract;

- f) gaining an undue advantage or benefit from modifications or extensions of contracts entered into with the public administration, without authorization by the Law, in the notice of public bidding or in its respective contractual instruments;
- g) manipulating or defrauding the economic-financial balance of the contracts entered into with the public administration;
- h) hampering the investigation or inspection of agencies, entities or public agents, or intervening in their activities, including within the scope of the regulatory and inspection agencies of the National Financial System.

IV.7 Conflict of Interest

Vallourec avoids any situation where its employees' personal interests, or of persons or entities to which they are related to, may conflict with the interests of the Group companies.

All situations where there is a potential conflict of interest should be reported to the direct manager and to the Ethics and Compliance Director of Vallourec.

IV.8 Inspections and Investigations

Vallourec undergoes regular inspections and investigations by public agencies and it values an environment of cooperation and transparency for the proper completion of said procedures.

IV.9 Protection of Personal Data

In Brazil, Vallourec has a Privacy Program created in accordance with the applicable rules, in particular the Lei Geral de Proteção de Dados Pessoais, Law No. 13.709/2018 ("LGPD"), which regulates the processing of personal data. This law is highly inspired by the EU's General Data Protection Regulation (GDPR).

In line with the referred law, employees, partners, suppliers and collaborators of the Vallourec Group are responsible for taking all appropriate measures in order to ensure that personal data are accessed and/or processed only by properly trained people who need such information in carrying out their tasks and that only data strictly necessary for fulfillment of the activities of the Vallourec Group will be collected, including data classified as sensitive by the LGPD.

V. COMMUNICATION AND TRAINING

The Vallourec Group engage its media channels widely and effectively in order to foster the proper dissemination of the Integrity Line and the values as set forth in its Code of Ethics to its employees, internal service providers, customers, commercial agents, brokers, distributors, suppliers, neighboring communities and other stakeholders.

Vallourec provides regular, virtual and face-to-face training on the best corporate integrity practices for all its employees and internal service providers. Among these training sessions, we highlight:

- a) mandatory introductory training session for new employees (own and third parties);
- b) training for new managers;
- c) Mission Compliance, virtual or face-to-face training, considering the level of exposure of the target audience, aimed at Company employees, highlighting the importance of complying with the environmental, fair competition and anti-corruption legislation.

VI. INTEGRITY LINE

In order to express its highest commitment to the Corporate Ethics, Vallourec has an external hotline, available to all its employees and external partners: the **Vallourec Integrity Line**.

The neighboring communities, employees, partners, customers, suppliers, service providers and other stakeholders now have an exclusive hotline to report any action or behavior contrary to the values as set forth in the Vallourec Code of Ethics, such as discrimination, corruption, harassment, unfair practices, among others.

The Vallourec Integrity Line is available on a 24/7 basis, and it can be accessed from anywhere in the world, in Portuguese, Spanish, French, German, Arabic, Chinese, Indonesian and English, on the the importance of complying with the environmental, fair competition and anti-corruption legislation.

following website:

<https://www.bkms-system.com/bkwebanon/report/clientInfo?cin=22VAL12>

The hotline is hosted on a secure and protected platform, managed by an independent and reputable company, Business Keeper AG, the world leader in the management of integrity lines and corporate compliance systems. Any claim can be reported anonymously, although Vallourec encourages the complainant to reveal his/her identity, as it may facilitate the processing of the information recorded.

The system guarantees the confidentiality of the claims and the facts are treated with total confidentiality. All records are analyzed in a judicious and responsible manner, contributing to the transparent management and a safer and healthier environment.

You can also access
Vallourec Integrity Channel
by scanning its QR Code:



