



## VALLOUREC

French limited liability company (société anonyme) with a Management Board and a Supervisory Board  
with share capital of €228,993.88

Registered office:

27, avenue du Général Leclerc - 92100 Boulogne-Billancourt, France  
Nanterre Trade and Companies Register (R.C.S) number 552 142 200

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## REPORT ON THE PAYMENTS MADE TO GOVERNMENTS (ARTICLE L. 225-102-3 OF THE FRENCH COMMERCIAL CODE)

*Financial year ending December 31, 2019*

Article L. 225-102-3 of the French Commercial Code<sup>1</sup> requires large undertakings and public-interest that are active in the extractive industry or logging of primary forests to disclose in an annual report payments of at least 100,000 euros made to governments in the countries in which they operate.

The consolidated report of Vallourec is presented below pursuant to aforementioned provisions. This report covers the aforementioned payments made by Vallourec's extractive companies as defined below, for the benefit of each government of states or territories in which Vallourec carries out its activities, by detailing the total amount of payments made, the total amount by payment type and by project.

This report has been approved by the Management Board of Vallourec SA.

### Definitions

The meaning of certain terms used in this report are set forth below:

**Extractive Companies:** Vallourec SA and any company of undertaking of which the activities consist, in whole or in part, of exploration, prospection, discovery, development and extraction of minerals, crude oil and natural gas, among others, fully consolidated by VALLOUREC SA.

**Payment:** a single payment of multiple interconnected payments of an amount equal to, or in excess of, 100,000 euros (or its equivalent) paid, whether in money or in kind, for extractive activities.

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<sup>1</sup> Article L. 225-102-3 of the French Commercial Code transposes certain provisions set out in Directive 2013/34/UE of the European Parliament and of the Council of June 26, 2013 (chapter 10).

Payments type included in this report are the following:

- **Taxes:** taxes and levies paid on income, production or profits, excluding taxes levied on consumption such as added value taxes, customs duties, personal income taxes and sales taxes.
- **License fees:** license fees, surface or rental fees, and other consideration for licenses and/or concessions that are paid for access to the area where the extractive activities will be conducted.
- **Payments for Infrastructure Improvements:** payments for local development, including the improvement of infrastructure, not directly necessary for the conduct of extractive activities but mandatory pursuant to the terms of a production sharing contract or to the terms of a law relating to oil and gas activities.

**Government:** any national, regional or local authority of a country or territory, or any department, agency or undertaking controlled by that authority.

**Project:** operational activities governed by a single contract, license, lease, concession or similar agreement and that form the basis for payment liabilities with a Government. If multiple such agreements are substantially interconnected, they shall be considered as a single Project.

## Reporting principles

This report sets forth all payments as booked in the Extractive Companies' accounts that are in the position of Project Operator.

Payments made in local currency have been converted into euros using the average annual rate for 2019.

<i>In thousands of euros</i>	Taxes			License fees			Infrastructure improvements	TOTAL of Payments
	Federal	State	Municipal	Federal	State	Municipal		
<b>As at 31 December 2019</b>								
Payments per government	Federal	State	Municipal	Federal	State	Municipal		
<b>Extraction of iron ore</b>								
Brazil	66,807	–	1,047	8	59	55	65	68,040
<b>Total</b>		<b>67,854</b>			<b>121</b>		<b>65</b>	<b>68,040</b>