

Anti-Corruption Code of Conduct

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Note from the Chief Executive Officer



> Philippe Guillemot
Chief Executive Officer

Vallourec, a leading supplier of premium tubular solutions and services primarily for the Oil and Gas markets as well as for other Industrial applications, has committed itself to combatting corruption, including influence peddling, and pledged to honour the United Nations' Global Compact in 2010.

We operate in an increasingly demanding environment and must meet the rising expectations of our customers, partners, employees, and shareholders. Therefore, our values, namely integrity and transparency, standards and professionalism, respect for people, joint commitment and performance and responsiveness guide our international activities daily.

This Anti-Corruption Code of Conduct reflects Vallourec's business ethics and applies to Vallourec's employees and all its partners, and is a key daily business management tool. It presents situations that each one of us may encounter, and provides recommendations to address them. We are all bound to implement and act as ambassadors for these values.

It is for this reason that the Board of Directors, which I chair, and the Executive Committee would like to reaffirm our zero-tolerance policy with regard to corruption and all other unethical practices, and we are counting on you to uphold the values of our Group, the foundation of our continued growth.

Philippe Guillemot

Preamble

Why do we need this Anti-Corruption Code of Conduct?

In addition to the Code of Ethics, existing internal procedures, and in compliance with current regulations, Vallourec adopted this Anti-Corruption Code of Conduct (hereinafter referred to as the “Code”) in order to:

- strengthen Vallourec’s commitment to fighting corruption, including influence peddling;
- identify and describe behaviour which may characterise acts of corruption or influence peddling, using concrete and clear practical examples; and
- describe the action to be taken if confronted with facts or situations likely to be seen as corruption or influence peddling so as to avoid any direct or indirect involvement in an unlawful practice.

Scope of application

This Code is intended for all Vallourec employees and applies to all companies whose capital and/or voting rights are directly or indirectly majority-owned by Vallourec SA (all of these companies are hereinafter referred to as “Vallourec”).

The term “employee” refers to all natural persons working for one of Vallourec’s companies, including corporate officers, employees, apprentices and interns.

In its relations with suppliers, subcontractors, agents, distributors and partners, Vallourec conveys the values and principles outlined in the Code of Ethics and the rules of this Code.

Vallourec’s Code of Ethics and this Code are available on the Vallourec website (www.vallourec.com) and on the MY VALLOUREC intranet.

Preventing corruption is everyone’s responsibility!



Corruption is illegal in every country in the world. It poses major risks to Vallourec and its employees.

The commission of an act of corruption or influence peddling is a serious and illegal act which can result in sanctions being imposed on Vallourec and the employees involved, who will be held personally, criminally and civilly liable.

These sanctions may take various forms, depending on the applicable legislation in different countries, and may include:

- for natural persons found to have participated in the offence or attempted offence, (be they the perpetrator or an accomplice): prison sentences and/or fines and additional penalties, such as the loss of civil and civic rights, prohibition from holding public office, or the confiscation of funds received as a result of the corruption.
- for legal persons found to have participated in the offence or attempted offence: fines and additional penalties such as exclusion from access to public procurement contracts, revocation of authorisations or licences or repayment of undue gains.

Other repercussions which could be extremely burdensome for Vallourec include:

- contractual or commercial repercussions such as the suspension or termination of contracts by Vallourec's clients, or exclusion from invitations to tender by public companies; and
- negative effects on Vallourec's reputation which may result in a decline in stock prices and significant financial impacts.

Therefore, Vallourec expects all employees to be aware of and strictly adhere to the principles laid out in the Code of Ethics and the rules of this Code and internal procedures.

As part of its Global Legal Compliance Program, Vallourec organises training sessions on fighting corruption, as well as an E-learning module. These training sessions are mandatory for the employees concerned.

All of our suppliers, subcontractors, agents, distributors and partners are also expected to adhere to the values and principles in Vallourec's Code of Ethics, and the rules of conduct set out in this Code.

Definition of unlawful conduct

Corruption

Broadly speaking, corruption is when a person, A, pays another person, B, or offers them gifts or benefits so that B makes a decision in their professional capacity which is favourable to person A.

Corruption can take an extremely wide variety of shapes:

- monetary payment (bribes);
- gifts (luxury items, items of a certain value such as jewellery or electronics, etc.);
- hospitalisation costs or school fees;
- invitations (non-business-related pleasure trips, regular invitations to family members, expensive meals, etc.);
- the promise of employment or internship;
- offer of benefits in kind; and
- patronage or sponsorship concealing an undue advantage.

A promise is enough. The payment, gift or benefit does not actually have to be awarded for there to be corruption. The payment, gift or benefit can be given or received directly or through an intermediary.

The decision may be an action, but may equally be an omission or delay in the performance of B's duties.

A and B may be private or public natural or legal persons.

Active corruption

In the above example, **active corruption** occurs when A takes the initiative to bribe B. The person initiating the corruption is the **briber, A**.

Passive corruption

Passive corruption occurs when B takes the initiative and requests a bribe or benefit from A. The person initiating the corruption here is **the bribee, B**.

Influence peddling

Influence peddling is a form of corruption involving three parties:

- the briber, A,
- the bribee, B, and
- a third party, C, who works in either the public or private sector.

Influence peddling is when A pays or offers a gift or benefit to B in order to obtain a favour from C. A believes that if B intercedes with C, B will be able to get C to make a decision which is beneficial to A's interests.

In this case, the bribee, B, uses their influence without engaging in any actions relating to their role or office.

EXAMPLES OF PROHIBITED CONDUCT

- In return for payment, an individual makes a network of influence and contact information available to a company with an eye to helping it obtain a contract by interceding with various awarding authorities.
- An employee offers someone a gift so that they influence the official in charge of granting a regulatory authorisation for a production site.

Framework legal

Laws in various countries (United States, United Kingdom, Brazil, France, China, Saudi Arabia, etc.) prohibit corruption and determine the penalties applicable to this offence. The local authorities of each country are responsible for enforcing these laws.

These laws often have extraterritorial scope, which means that authorities in one country can impose punishment for acts of corruption committed by natural persons or companies in another country.

These laws generally prohibit active and passive corruption by public and private persons during the performance of their duties.



IMPORTANT

Any act of corruption, including influence peddling, committed in France or abroad, is strictly prohibited by the anti-corruption laws of various countries that apply to Vallourec and its employees.



IMPORTANT

Laws regarding the fight against corruption are becoming increasingly complex. If unsure of the application of a regulation in a given situation, Group employees must, without fail, contact the Group Compliance Officer or the Group's Legal Department.

Rules of conduct to follow

This Code does not provide an exhaustive list of authorised or prohibited behaviours, given the plurality of situations and scenarios that may arise.

Every employee must demonstrate good judgement and common sense. Thus, this Code outlines the key rules of conduct which must govern their decisions and actions, and provides practical examples.

Vallourec has also issued internal procedures and policies, particularly regarding sales representatives, gifts and invitations, sponsorship, patronage and societal investments, available on MY VALLOUREC intranet.

I - COMMERCIAL PARTNERS

Commercial partners are suppliers, subcontractors, distributors and sales representatives with whom Vallourec maintains a direct relationship.

The hiring of a commercial provider must be legitimate. The anticipated services must be legal and reflect a genuine need for Vallourec.

Illegal activities by a commercial partner may damage Vallourec's image and may even result in legal proceedings. Vallourec employees may also be personally subject to prosecution if they are involved in an unlawful practice.

It is for these reasons that Vallourec has established the specific rules shown below:



RULES TO FOLLOW

- > Vallourec employees must choose commercial partners based on their merits and on objective criteria, in compliance with internal procedures.
- > Vallourec's commercial partners must be familiar with the company's Code of Ethics and this Code, and adhere to the principles and rules of conduct that they contain.
- > The hiring of commercial partners must be subject to reasonable due diligence by Vallourec employees. Checks must be suitable and proportionate to the particular situation of each commercial partner, the nature of the service and the location in which it is performed. These checks concern the partner's integrity, the legitimacy of the need, and the appropriateness of the intended payment.

If you have any questions about these preliminary checks, contact the Vallourec Group Compliance Officer or the Legal Manager for your Region.

Suppliers and subcontractors

Vallourec's suppliers and subcontractors are selected based on predefined criteria and are subject to preliminary checks based on supplier risk, including the risk of corruption. Selection and evaluation of suppliers are subject to internal procedures available on MY VALLOUREC intranet.

The hiring of providers is lawful. Providers are considered suppliers and are therefore subject to the same selection process.



IMPORTANT

Vallourec may be held liable for acts of corruption committed by one of its providers, even in the absence of direct involvement or positive action by Vallourec. In the eyes of the law, not having carried out appropriate and proportionate due diligence to ensure that one's provider is not corrupt may constitute misconduct.



RULES TO OBSERVE

In all cases, Vallourec employees must send the Code of Ethics and this Code to the supplier or subcontractor so that they may abide by the values and principles set out in the Code of Ethics and the rules of this Code.

Vallourec employees must also formalise the business relationship in a clearly defined contract which contains:

- > a clear definition of expected services with accountability (preparation of a report before any fee is paid);
- > reasonable and consistent remuneration;
- > a payment made to the provider's business account when it is a legal person;
- > a description of payment terms;
- > a formal commitment to adhere to the values and principles laid out in the Code of Ethics and this Code;
- > a termination clause for non-compliance with Vallourec's ethical rules;
- > the right of audit on the services provided; and
- > a specified duration.

Sales representatives

The hiring of sales representatives may be necessary as part of Vallourec's commercial activities.

For example, when the necessary resources or skills do not exist in a given country or market, or when local legislation expressly requires it.

The hiring of a sales representative, the monitoring of their activities and payment of their fee are subject to a specific internal procedure, available on the MY VALLOUREC intranet. The purpose of this procedure is to prevent and limit the risk of unlawful activities which may be committed by Vallourec sales representatives.



IMPORTANT

A large majority of corruption cases involve payments made by intermediaries. Therefore, particular vigilance is needed.



RULES TO OBSERVE

WHEN NEGOTIATING A CONTRACT:

In all cases, Vallourec sales managers must comply with the procedure related to the hiring of sales representatives and ensure that:

- > hiring a sales representative is necessary in the country concerned, and approved by managers in accordance with internal regulations;
- > due diligence and preliminary checks were carried out before the contract signing;
- > the contract is signed with the representative in accordance with Vallourec's representative contract template, comprising a formal agreement to comply with the values and principles of the Code of Ethics and this Code (annexed to the contract);
- > the representative's growth and marketing objectives are clearly defined in the contract;
- > the amount of the fee is clearly stated in the contract, proportionate and consistent with Vallourec's internal regulations; and
- > the representative's bank account is stated in the contract;
- > the commission paid corresponds to the amount stated in the contract.



RULES TO OBSERVE

AFTER THE SIGNING OF THE CONTRACT:

Sales managers must ensure that:

- > the representative provides a regular written report of their activities using the template attached to Vallourec's standard representative contract;
- > the fee paid corresponds to the amount stated in the contract;
- > the fee relates to a genuine service provided by the representative (marketing, client meeting, product presentation, etc.) which can be demonstrated with material evidence; and
- > the fee is paid by the Vallourec legal entity that signed the contract.



IMPORTANT

It is the responsibility of Vallourec employees who interact with a representative to remain attentive as to how they conduct themselves.

The employee is not released from all due diligence obligations once the relationship with a representative is formalised.

II - BUSINESS GIFTS AND INVITATIONS

Giving gifts and invitations to business partners to show your regard for them is a legitimate practice, as long as they are only given occasionally and are of a reasonable and proportionate value.

However, these practices may constitute active or passive corruption if the aim is to gain an undue advantage or influence a decision.

Definitions

Business gift: any benefit, monetary or otherwise, regardless of what it is: the giving of a physical object (promotional items bearing the Vallourec logo, watches, pens, books, scarves, etc.) or covering the cost of an expense on behalf of the beneficiary (travel or accommodation costs, expense reports, etc.).

Invitations: any public relations exercise or non-business social event (reception, meal given or received, sporting and cultural events, etc.).



RULES TO OBSERVE

ANY GIFT OFFERED OR RECEIVED MUST:

- > comply with applicable laws;
- > be professionally justifiable and fall within the scope of standard business relationships;
- > have a reasonable and proportionate value;
- > occur infrequently; and
- > receive authorisation by the supervisor and the Group Compliance Officer as per the internal procedure for Gifts and Invitations, and be recorded in the Vallourec internal register when the value of the gift or invitation exceeds a certain amount, or when a public official is involved.

Excerpt from the Gifts and Invitations internal procedure.

AMOUNTS	CONDITIONS TO BE COMPLIED WITH
Gift, invitation given or received or benefit with a value of between €50 incl. VAT and €250 incl. VAT	<ul style="list-style-type: none">➤ Compulsory registration in the Gifts and Invitations internal register.➤ Supervisor authorisation.
>€250 incl. VAT	<ul style="list-style-type: none">➤ Compulsory registration in the Gifts and Invitations internal register.➤ Supervisor authorisation.➤ Authorisation by the Group Compliance Officer.
Any gift, invitation or benefit given to or received from a public official	<ul style="list-style-type: none">➤ Compulsory registration in the Gifts and Invitations internal register.➤ Supervisor authorisation.➤ Authorisation by the Group Compliance Officer.



RULES TO OBSERVE

A GIFT OR INVITATION MUST NOT:

- be requested by Vallourec employees or by a commercial partner;
- be given or received with the aim of gaining an undue advantage or influencing a decision;
- be given to or received from commercial partners while a contract is being negotiated;
- take the form of service provisions (work) or cash (sums of money or equivalent);
- come from private funds; or
- be given to people with whom the company does not have a business relationship (spouses, close family, children, etc.) without the prior permission of the Group Compliance Officer.



IMPORTANT

In all cases, invitations must be formally authorised in accordance with internal procedure rules and recorded in the Gifts and Invitations internal register.

Many examples of authorised or prohibited gifts are provided in the Gifts and Invitations internal procedure.

PRACTICAL EXAMPLES

WHAT SHOULD I DO IF SOMEONE OFFERS ME A GIFT OF SIGNIFICANT VALUE?

Politely refuse where possible, highlighting Vallourec's commitment to ethical behaviour. If it is difficult to decline the offer without offending the partner, inform your supervisor and the Group Compliance Officer immediately. This gift may be shared with other employees or donated to charity.

CAN I ACCEPT AN INVITATION TO A SPORTING OR CULTURAL EVENT?

An invitation like this can be accepted under the following conditions:

- the aim of the invitation is not to influence a decision;
- the invitation is not received while a contract is being negotiated;
- there are no extravagances attached to the invitation: dinner in a gourmet restaurant, travel, luxury gifts, etc.;
- the invitation does not extend to a partner or family (unless specifically authorised by the Group Compliance Officer); and
- the person making the invitation will be present at the event.

I AM ORGANISING A PLANT VISIT OR TECHNICAL WORKSHOP WITH A CLIENT—WHAT CONDITIONS MUST I COMPLY WITH?

- Ensure that the plant visit or technical workshop is not a pretext for a pleasure trip paid for by Vallourec.
- Plan a detailed schedule for visit or workshop day(s).
- Check that invited participants have positions relevant to the purpose of the visit.
- Do not pay for invitees' transport or accommodation, which in principle remain the invitees' responsibility, failing specific authorisation from the Group Compliance Officer. Meals may be paid for by Vallourec, as long as they are of reasonable value.
- Record the full cost of the plant visit or workshop in the Gifts and Invitations internal register and be sure to obtain authorisation from your supervisor and the Group Compliance Officer when the conditions laid out in the internal procedure are met.

MAY I INVITE A CLIENT OUT TO LUNCH OR DINNER?

Yes, invitations like this are acceptable under the following conditions:

- the aim of the invitation is not to influence a decision;
- the invitation is not received while a contract is being negotiated;
- however, during contract negotiations with long meetings that extend over the course of an entire day, the client may be invited to lunch in the company canteen or, as an exception, in a nearby, reasonably-priced restaurant; and
- if contracts are not being negotiated, such an invitation to lunch or dinner is authorised, providing that it does not happen regularly, is reasonably-priced, and there are no extravagances attached to the invite, e.g. travel or luxury gifts, etc. The invitation must not extend to a spouse or family members (unless specifically approved by the Group Compliance Officer).

III - SOCIETAL INVESTMENTS

Vallourec's societal investments aim to support the development of local communities and may take a number of forms, such as donations, sponsorships, or employee volunteerism.



RULES TO OBSERVE

SOCIETAL INVESTMENTS MUST:

- > respect applicable laws and regulations and comply with local tax systems;
- > respect the internal policy on societal investments, available on the MY VALLOUREC intranet;
- > support properly established organisations with objectives of general interest;
- > support organisations located in areas in which Vallourec has industrial or commercial operations; and
- > always be subject to a contract specifying the nature and the amount of Vallourec's support and how the monetary contribution will be used by the recipient.



RULES TO OBSERVE

SOCIETAL INVESTMENTS MUST NOT:

- > influence a decision or legislation; or
- > be carried out to benefit natural persons, either directly or indirectly.



IMPORTANT

Societal investments must reflect strategic areas of focus, as defined in Vallourec's Internal Policy on societal investments, meaning support for education, environmental protection, and employee volunteerism.

Examples are available in the Communication Guide on societal investments, which supplements the internal policy.



IMPORTANT

Donations, patronage or sponsorships unrelated to societal investments, such as donations to professional bodies (chambers of commerce) or sponsorships related to institutional communication (partnerships with institutions of higher education) must be authorised by the Group Compliance Officer in accordance with the Commercial Sponsorship and Lobbying internal procedure.

IV - FACILITATION PAYMENTS

“Facilitation payments” are payments made to government representatives (public officials) for the purpose of expediting or ensuring the performance of an administrative act. They are generally small sums.

The most common instances in which facilitation payments may be requested involve:

- obtaining a visa, permit or licence;
- obtaining police protection;
- registering a vehicle;
- setting up a telephone line;
- accessing a port; and
- unloading goods, etc.

In most countries, facilitation payments are considered corruption.



IMPORTANT

Facilitation payments are prohibited by Vallourec.

A single exception to this rule is permitted: when a facilitating payment is absolutely necessary to protect the life, health or safety of a Vallourec employee. If this is the case, the employee must inform the Group Compliance Officer as soon as possible.

RECOMMENDATIONS

- Plan ahead, and don't wait until the last minute.
- Be sure you have all the documents that may be required of you under local law.
- When you ask an external service provider for paperwork, make sure you follow the rules contained in this Code regarding service providers.
- If you are asked for a facilitation payment,
 - You must refuse: cite Vallourec's ethical rules and the fact that the request is illegal, which is true in most countries.
 - If they persist: ask that the request be made formally (in writing, and stating the name and position of the person requesting the payment).
- Notify the client if the illegal request concerns a specific project and may interfere with the project's progress.



IMPORTANT

In all cases, inform the Group Compliance Officer.

V - CONFLICTS OF INTEREST

A conflict of interest arises when the personal interests of an employee or of natural or legal persons with which they are associated, are likely to conflict with Vallourec's interests.

A conflict of interest is not unlawful in itself, but may conceal an act of corruption when an employee's personal interests have a negative effect on their work for Vallourec.

Every employee must be sure to act in the best interests of Vallourec, to the exclusion of any other consideration, especially a personal one.



RULES TO OBSERVE

- > Do not take a direct or indirect interest in a competitor, supplier, service provider or client (prospective or current) unless it concerns the purchase of listed securities and adheres to the rules on insider information.
- > Do not enter into personal or professional commitments which may interfere with your work for Vallourec.
- > Never negotiate a contract on behalf of Vallourec in which you have a personal interest.
- > Never use confidential information that you possess due to your position at Vallourec to your personal benefit, or to the benefit of your family or friends.
- > Never accept remuneration from an organisation or person who has a business relationship with or is in conflict with Vallourec.
- > Report any potential conflict of interest to your supervisor and the Group Compliance Officer.

PRACTICAL EXAMPLES

YOU ARE A VALLOUREC EMPLOYEE AND A SHAREHOLDER OF A PROSPECTIVE CLIENT. CAN THE CLIENT TAKE PART IN CONTRACTUAL NEGOTIATIONS?

- > Being a shareholder of a Vallourec client is not prohibited. However, if this is the case, you must inform your superior immediately, before negotiations begin, as well as the Group Compliance Officer.
- > You will not be able to take part in contractual negotiations with this client.

YOU ARE A VALLOUREC EMPLOYEE IN CONTACT WITH A VALLOUREC SUPPLIER THAT BELONGS TO A MEMBER OF YOUR FAMILY. CAN YOU ACCEPT PRODUCTS OR SERVICES DELIVERED BY THIS SUPPLIER?

- > The employee must inform their supervisor about this conflict situation. Their supervisor will task another person with receiving the products or services, especially if quality and compliance checks must be carried out.

VI - LOBBYING—INTEREST REPRESENTATIVES

Vallourec participates transparently and in conformance with the laws and regulations in effect, in discussions on the development of public policies and legislative processes relevant to its field of activity.

Definition

Lobbying refers to entering directly or indirectly into dialogue with a public official in order to influence a political decision to protect particular values or interests.

Lobbying becomes an act of corruption when the lobbyist directly or indirectly offers or promises a benefit in kind (sums of money or gifts) to benefit a third party (public official) in order to prompt them to support favourable legislation or activities.



IMPORTANT

All lobbying activity is subject to prior approval by the Group Compliance Officer.

In France, interest representatives who interact with public officials on behalf of Vallourec are listed in the digital public register of interest representatives maintained by the Haute Autorité pour la Transparence de la Vie Publique (HATVP) [High Authority for Transparency in Public Life].

Furthermore, in accordance with the law currently in effect, Vallourec provides the HATVP with an annual report detailing any interest representation aiming to influence a French public decision, as well as related expenditures.

VII - FUNDING OF POLITICAL PARTIES

Legislation regarding the funding of political parties varies from country to country.

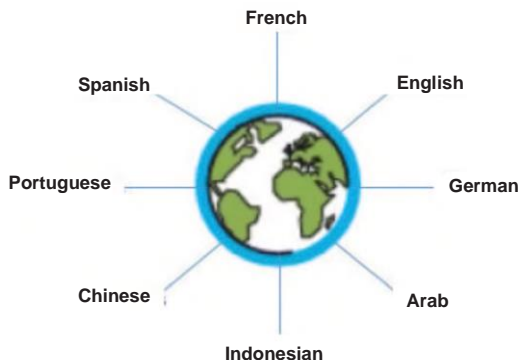
With that in mind, and to avoid any ambiguity, Vallourec prohibits any transfer of funds and/or provision of services on behalf of Vallourec to political parties, organisations and figures.

Reporting conduct

If you wish to report any conduct which is inconsistent with the laws and regulations relative to fighting corruption, or which is contrary to the rules of this Code, you may do so by contacting one of the following people:

- your supervisor;
- your Human Resources Manager;
- the Group Compliance Officer
- the Group Ethics Officer
- your Local Ethics Correspondent, a list of which, along with contact details can be found on the MY VALLOUREC intranet;
- the Director of Internal Audit and Controls; and
- you may also use the **Vallourec Integrity Line** <https://www.bkms-system.com/Vallourec-integrityline>

The Vallourec Alert System available in eight languages



7 d / 7 d

24 h / 24 h

365 d / a year

no matter where or in which country you are.

The **Vallourec Integrity Line** is accessible to Vallourec employees as well as third parties (including clients, suppliers, service providers, etc.). It is a way of reporting conduct anonymously.

You can access the
Vallourec Integrity Line by
scanning the QR Code



For more information on terms of use and the rules on data processing and protection, please refer to the internal procedure: **Vallourec Integrity Line** tell us! Vallourec reporting system and investigation.

Employees acting as whistleblowers may not be penalised for having alerted Vallourec if they have acted in good faith without malicious intent, even if their reasons for the alert turn out to be inaccurate or no further action is taken. Under no circumstances can they be subject to any form of discrimination.



IMPORTANT

Regardless of the alert channel used, Vallourec will ensure that any alerts remain confidential.

Disciplinary Actions

Depending on its severity or frequency, any violation of this Code may lead to a disciplinary action up to and including dismissal.

These disciplinary actions are those provided by the law applicable to the employee in question and will be made in accordance with legal procedures.





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A French limited liability company (société anonyme) with a Board of Directors with share capital of
4,578,568.56 euros