



THE VALLOUREC^{*} CODE OF ETHICS

^{*} In this document, "Vallourec" means Vallourec SA and any company in which Vallourec SA directly or indirectly has a majority shareholding or majority voting rights.

EDITORIAL

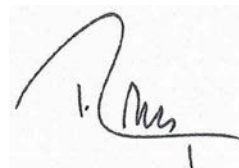
Vallourec is a major player in the seamless steel tube sector, mostly supplying the energy markets. The Group operates world-wide with more than 50 production units in more than ten countries and some 18,000 staff.

We are proud of our position which mirrors our partners' confidence in our ability to supply quality products and services, while maintaining particular values and principles in running our business.

Their confidence is a key factor in Vallourec's present and future success.

The Code of Ethics is intended to set out the values and principles that the Group's men and women adhere to across the diversity of their cultures and experience.

I am counting on every person working within the Group, whatever the country he/she works in, to act under all circumstances in accordance with the values and principles described in the Code of Ethics and in the documents to which it refers.

A handwritten signature in black ink, appearing to read 'P. Crouzet', with a stylized flourish at the end.

Philippe Crouzet
Chairman of the Executive Board, Vallourec SA

"THE VALLOUREC SPIRIT"

The "Vallourec Spirit" is based on a set of fundamental values that Vallourec wants all people working within the Group to share:

INTEGRITY AND TRANSPARENCY

Integrity should be the foundation of all decisions and practices in Vallourec.

In internal relations, **transparency**, a source of **confidence** between all Vallourec staff, requires a rapid flow of clear and objective information.

STANDARDS AND PROFESSIONALISM

High standards and **professionalism** are at the root of Vallourec's success in a global market that daily demands better performance. These values are the bases of its **ambition** of sustainable growth.

PERFORMANCE AND RESPONSIVENESS

Satisfying internal and external customers is the key to Vallourec's long term success.

It is based on continuing **innovation**, and the **quality** and **performance** of Vallourec's products and services.

It requires **responsiveness** to address changes in markets. The Group's ability to adapt is one of its strengths, and the basis of its competitiveness and **longstanding** relations with customers.

RESPECT FOR PEOPLE

Respect for men and women, their dignity, **diversity** and the variety of their cultures is at the heart of the **commitment** of Vallourec personnel.

It enriches each and every one.. It contributes to the performance of all Vallourec personnel.

Respect begins with **security**, which is one of Vallourec's fundamental values.

JOINT COMMITMENT

All Vallourec personnel jointly contribute to the Group's development.

This common aim is based on **unity**, **fairness**, **listening**, a sense of **responsibility** and **teamwork**.

“VALLOUREC PRINCIPLES FOR ACTION”

Vallourec acts in accordance with its principles, which are founded on its values, reflecting the way in which Vallourec means to conduct its relations with all partners and other parties.

Those principles form a benchmark for the Group, especially in implementing its sustainable, responsible development plans.

Overall, Vallourec undertakes to run its business in accordance with international, national and local laws and regulations.

AS REGARDS SHAREHOLDERS

Vallourec strives to deserve the confidence of its shareholders by using the Group's resources effectively and responsibly.

Shareholders receive accurate, transparent, verifiable financial information in due time.

Vallourec strives to comply with the best recommendations on corporate governance and running the Group's business.

AS REGARDS CUSTOMERS

Vallourec pays attention to meeting the needs of its customers by having time for them, listening to them and showing initiative.

Vallourec is committed to supplying quality products and services to its customers and constantly improving its technologies and methods with a high standard of innovation and safety.

AS REGARDS SUPPLIERS

Vallourec strives to develop a relationship of confidence and partnership with its suppliers in order to best satisfy its customers' requirements.

Taking the interests of all into consideration and complying with fair contractual terms are the bases of relations between Vallourec and its suppliers.

Vallourec asks its suppliers to respect the fundamental rights of their employees, in line with its commitments to its own personnel. Vallourec takes this into account in its assessments¹.

¹ "Agreement on the Principles of Responsibility applicable within the Vallourec Group", approved by the European Works Council on 9 April 2008

AS REGARDS EMPLOYEES

Vallourec reaffirms its commitment to the following Principles of Social Responsibility, in particular¹:

- application of national laws and applicable international agreements;
- respect for human rights and fundamental universal principles that protect employees' dignity, respect and freedom;
- a secure, healthy working environment ensuring the physical and mental integrity, health and safety of employees, which remain an absolute priority;
- the right for employees to associate and take part in collective negotiations;
- the use of permanent staff in numbers appropriate to the ongoing level of business, vocational training, compliance with regulations on working hours, staff participation in a process of continuing progress, fair, motivating pay policy.

AS REGARDS THE ENVIRONMENT

Vallourec strives to respect the environment and operates with sustainable development in mind².

In particular, Vallourec ensures that its growth is based on optimal use of natural resources, especially where non-renewable resources are concerned such as certain raw materials and fossil fuels.

AS REGARDS COUNTRIES AND COMMUNITIES IN WHICH VALLOUREC DOES BUSINESS

Vallourec endeavours to respect local culture and practices in the countries and communities where it does business.

¹ "Agreement on the Principles of Responsibility applicable within the Vallourec Group", approved by the European Works Council on 9 April 2008

² Vallourec Sustainable Development Charter

“THE VALLOUREC ATTITUDE”: RULES OF CONDUCT

Vallourec’s confidence in the professionalism and integrity of people working within the Group is founded on their compliance with a number of rules. Without being a substitute for their individual sense of responsibility, these rules are a reference for all.

CONFLICT OF INTEREST

Any situation should be avoided where the personal interests of Vallourec personnel or of persons or entities to which they are linked may be in conflict with Vallourec’s interests.

To determine whether there is a conflict of interest, Vallourec personnel must ensure that they act in the best interests of Vallourec, excluding any other consideration, especially personal.

The following situations can be considered as likely to result in conflicts of interest:

- any direct or indirect interest taken in a competitor, supplier, service provider or customer (existing or potential), other than the purchase of quoted shares in accordance with the rules on inside information;
- any professional or personal commitment outside Vallourec that might affect commitment to the duty to Vallourec, unless previously authorised by management.

A potential conflict of interest situation must be brought to the attention of management and will be handled in accordance with the laws and regulations applicable.

RELATIONS WITH THIRD PARTIES

Every individual at Vallourec exposes the Group’s reputation, image and notoriety in his or her relations with third parties. Consequently, he or she must maintain fair, honest relations with them.

Accordingly, Vallourec personnel are not allowed to:

- seek, accept or give gifts or invitations if it could influence a decision process or be perceived as doing so, and hence might constitute a corrupt act,
- give undertakings that are excessive in relation to the position they hold,
- behave in a denigrating, offhand or uncivil manner towards third parties with whom they are in contact.

If there are doubts as regards relations with a third party, Vallourec personnel immediately refer the matter to management.

INSIDER DEALING

Vallourec personnel who have inside information that might influence the market price of Vallourec shares must not take initiatives that could result in insider dealing or trading¹.

CONFIDENTIALITY

All Vallourec personnel must ensure that information of a confidential nature that they know of as a result of their work is protected².

CONSERVATION OF ASSETS

All Vallourec personnel ensure that the Company's assets are conserved, in accordance with Vallourec's interests.

Any form of waste or misuse must be avoided.

¹ Code of Good Practice on Transactions and Insider Trading of Vallourec Shares

² Vallourec confidentiality charter

IMPLEMENTATION OF THE CODE OF ETHICS

The Vallourec Code of Ethics applies to all Group consolidated companies in conjunction with the documents to which it refers.

Vallourec personnel are personally responsible for implementing its values and principles and complying with rules Vallourec publishes.

Management makes the Code of Ethics known to all Group personnel.

In order to support implementation of the Code of Ethics by all Vallourec personnel, in particular managers, a **Code of Ethics officer** is appointed for the Group, who has the following duties:

- to assist Group companies in *disseminating* the Code of Ethics,
- to coordinate actions to make new employees *aware* of the Code of Ethics,
- to participate in setting *procedures for applying* the Code,
- to ascertain any difficulties in *interpreting* or *applying* the Code of Ethics that are raised by staff; to that end, the officer receives any information relative to breaches of the principles of responsibility¹,
- to produce an *annual report* on implementation of the Code of Ethics for the Chairman of the Executive Board.

The Code of Ethics officer reports to the Executive Board and relies on a network of local contacts.

¹ "Agreement on the Principles of Responsibility applicable within the Vallourec Group", approved by the European Works Council on 9 April 2008