



CODE OF CONDUCT



TUBACEX

TUBACEX GROUP

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Letter from the Chairman and the CEO

TUBACEX, a leading multinational industrial group in the seamless stainless tubes global market with fifty years of experience, strives to meet customer and societal satisfaction for sustainable and profitable growth. We seek excellence, through rigorous process management and the systematic application of ongoing improvement.

We aspire to be a global supplier and a benchmark in innovative tubular solutions in advanced materials, offering management excellence and sustainable profitability whilst always focused on human development.

Long-term Group sustainability and success are crucially determined by the correct conduct of each and every administrator, director, employee and collaborator.

Our corporate values are result orientation, ongoing improvement, strict professionalism, an ongoing effort to achieve safety and environmental protection as well as contributing to the professional growth of our professionals. Moreover, we foster team work and the utmost respect for any form of diversity.

All these values are embodied in the framework of fundamental principles and civil liberties, respect for applicable laws at all times and good business practices, dealing with them to avoid any kind of damages to people and the environment, thus making permanent reference to our experience.

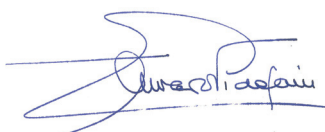
This conviction, originating with the Board of Directors of TUBACEX, S.A. and applicable to each and every one of the professionals in its group of companies, is that which we define in our Code of Conduct.

The Audit and Compliance Committee with a mission clearly defined in this Code of Conduct is available to all TUBACEX personnel for any issue related to ethics and is responsible for compliance thereof.

In particular, anybody who may encounter any difficulties reconciling their decisions with the requirements of this Code while exercising their responsibilities may contact the Compliance Manager directly who will assist them in making a decision through dialog.

Based on the foregoing Principles, together we can all build our growth policy within the global economic community for the benefit of our shareholders, our customers and of course ourselves.

We would like to thank you in advance for your total commitment to our purpose to achieve our targets.



D. Álvaro Videgain
Chairman



D. Jesús Esmoris
CEO

Definitions

For the purposes of this Code of conduct, below are detailed the definitions that henceforth, shall be used for merely simplification and highlighting.

- **TUBACEX.**- Leading multinational industrial group in the global stainless seamless tube sector, with fifty years of experience, comprised by TUBACEX, S.A., parent company, as well as each of its industrial subsidiaries, with respect to its business and any other current or future services.
- **Code.**- This Code of conduct defined and approved by TUBACEX.
- **Board of Directors.**- TUBACEX, S.A. Board of Directors.
- **Collaborators.**- All professional stakeholders involved in the development, progress and evolution of TUBACEX activities. All “**Collaborators**”, both collectively and individually, where applicable, shall be referred to as “**Collaborator**”.
- **Audit and Compliance Committee.**- Commission supervised by the Board of Directors, whose main responsibility is, for the purposes of this Code, to ensure compliance.
- **Compliance Manager.**- Collaborator responsible for receiving, analyzing, evaluating and, where applicable, justifying and escalating for instruction, to the Board of Directors and Audit and Compliance Committee, any issues arising with respect to the application, interpretation and any possible non-compliance with the Code.

Introduction

This Code covers the breadth of the standards of conduct and ethical behavior that TUBACEX, leading multinational industrial group in the global stainless seamless tube sector, undertakes with full compliance.

Thus, the Code itself is the instrument designed by TUBACEX to contribute to the implementation of these rigid standards of conduct and ethical behavior, previously identified, defined and developed by TUBACEX within its own business group.

The purpose of this Code is to provide all those who contribute to the development of TUBACEX activities with a framework of reference against which all activity is measured. Hence, effective fulfillment requires not only prior knowledge and familiarity by each and every TUBACEX Collaborators, but also knowledge of any and all relevant legislation that may apply as a result of their respective roles.

To achieve this goal, phased comprehensive outreach and training shall be carried out, in order to incorporate all TUBACEX personnel. Nevertheless, any and all dubious questions, arising from the future application and/or interpretation of this Code shall be answered either through the corresponding supervision channels, where applicable, or by the TUBACEX Compliance Manager.

In this regard, a global tool is defined, whose ultimate goal is to report any and all dubious, suspicious and/or seemingly irregular practices to the Compliance Manager, taking into account that any non-compliance may give rise to penalties resulting from the implementation, accordingly, of the provisions set forth by current civil, labor, commercial and, where applicable, criminal legislation.

2.

Scope of application

The Code is applicable to each and every TUBACEX Collaborator. Meaning, all Collaborators shall be subject to its compliance, including the Chairman, CEO and other members of the Board of Directors, the Secretary non member, each and every TUBACEX Collaborators, i.e., all personnel, middle managers, directors, officers and any other representative members and members of other governing bodies that make up its own group of companies.

Likewise, the scope of this Code shall be applicable to any and all persons, natural or legal, defined as a TUBACEX Collaborator.

General and conduct principles

3.1 GENERAL PRINCIPLES

TUBACEX is a multinational industrial group founded in 1963 whose industrial and commercial activity is the manufacture of seamless stainless steel tubes for application in the fields of oil and gas exploration and extraction and energy, among many others. With manufacturing plants in the U.S., Austria and Spain, as well as commercial presence worldwide, TUBACEX aims to become the benchmark supplier of tubular solutions in a context perpetually founded on business ethics.

Aware of the impact of its activities, TUBACEX is determined to contribute towards environmentally friendly production and to work together with all stakeholders to carry out all business activities within a framework of the strictest rigor, ethics and professionalism.

Thus, the professional activity undertaken by TUBACEX must result in sufficient economic value increase to reward our shareholders and Collaborators and to make investments contributing to sustainable future growth and development.

In this context, TUBACEX Collaborators shall be forever guided by the following fundamental principles.

Principles of the Universal Declaration of Human Rights

TUBACEX is committed to the protection of internationally recognized human rights.

Fundamental principles of the International Labor Organization

TUBACEX rejects any form of physical, psychological, moral harassment or abuse of authority.

TUBACEX Collaborators shall treat everyone within the work environment with respect -regardless of their position- fostering a pleasant, healthy and safe work environment.

The guiding principles of OECD aimed at multinational companies

TUBACEX repudiates corruption in all its forms, public and private, active and passive, it respects the rules of free competition and assists to the concerns expressed by organizations at any national or supranational level in the areas related to its activities.

Principles of the United Nations Global Compact

TUBACEX observes UN and European Union decisions and in particular, those regarding to the selection of geographical locations.

3.2 PRINCIPLES OF CONDUCT

In its continual search for business excellence, TUBACEX focuses on team work and achievement, among its corporate values. Therefore, all employees shall act with a spirit of cooperation, generating trust and facilitating any knowledge or resources necessary to achieve the company objectives and interests.

This includes the need to establish certain rules of conduct for occasional complex situations with respect to international industrial and commercial activities, in order to serve as a reference for all TUBACEX Collaborators.

Standards of conduct and ethical behavior

4.1 RESPECT FOR SHAREHOLDERS

TUBACEX works constantly to maximize the investment of its shareholders, in order to maintain long-term confidence for its projects.

In addition to the requirements established by the National Securities Exchange Commission, through its Shareholder Office, it directly addresses all requests from shareholders and investors, providing clear and accurate information.

As a result, the Group promotes full transparency of information communicated to the market and strict compliance with stock exchange regulations, while pioneering the monitoring of existing recommendations in Corporate Government matters.

4.2 RESPECT FOR CUSTOMERS

TUBACEX constantly pursues industrial and commercial excellence in order to provide its customers with quality products and services, achieving loyalty and long-term relationships.

TUBACEX also devotes its best efforts to provide continuous improvement with respect to their products, as well as their production and distribution processes, with the ultimate goal of ensuring the highest levels of quality, safety and innovation to its customers at all times.

TUBACEX is committed to fair competition practices and strict compliance with current applicable legislation.

4.3 RESPECT FOR COLLABORATORS

TUBACEX grants its Collaborators a privileged place within their value system, recognizing, in this sense, that without their support and cooperation, it would not be possible to achieve its strategic objectives.

Likewise, it encourages and expects its Collaborators to express a sense of corporate integrity at all times, fully trusting that they shall responsibly avoid any and all situations that could lead to conflicts of interest.

Selection and hiring of personnel

TUBACEX incorporates its Collaborators by meticulously focusing on the professional qualities of the candidates with respect to requirements at all times, with the aim of attracting and retaining the best talent by providing objective and appropriate management.

Labor rights

TUBACEX guarantees all personnel the rights envisaged by legislation in countries where labor and trade union representation are in place, without any restrictions.

Occupational Health and Safety

Occupational Health and Safety is the top concern of TUBACEX. Well aware of the impact and risks of the activity it carries out, its priority is to conduct business in a safe environment.

In this context, each Collaborator is responsible for all activities that occur under its control, and which shall be carried out subject to extensive internal regulations regarding health, safety and environment.

In any case, the objective of TUBACEX is to prevent all accidents and that each and every one of its Collaborator share in this vision.

Professional and personal development

TUBACEX undertakes and guarantees the principle of equal opportunity for personnel, ensuring that its employees perform their responsibilities in a context without discrimination based on race, gender, religion or political or union affiliation whatsoever. Additionally, it values internal promotion of its professionals, implementing training programs to foster the professional progress of its Collaborators.

Collaborators are linked to the company objectives through information, dialog and interaction, while respecting their private life envisaging any necessary measures to enable family life and work reconciliation.

TUBACEX has implemented a skill appraisal system which offers the opportunity to assess the progress and development possibilities of each professional career.

Management Model

TUBACEX expects all Collaborators to lead by example on ethical management as main ambassadors. Therefore, personnel are encouraged to observe all Code values and principles and in particular:

- Strict compliance with the rules applicable in the workplace, safety at work and environmental management.
- Establishment of relationships with third-parties based on business ethics.
- Protection of confidentiality of internal and external business information.
- Prevention of manipulation and/or disclosure of privileged information, as well as conflicts of interest.
- Proper conduct with regards to equal respect and loyalty between internal and external Collaborators, repudiating any and all forms of discrimination.
- Abstention from participation in the political activities in areas of influence and particularly, in countries where that established in this Code is not respected.
- Contribution to personal development and interpersonal relations in the workplace.
- Employees must favor teamwork and result-based appraisal.

4.4 RESPECT FOR SUPPLIERS AND SERVICE SUBCONTRACTORS

TUBACEX relationships with suppliers and service providers must be developed in accordance with the following guidelines:

- Constant respectful consideration of the interests of each, seeking mutual benefit and economic efficiency.
- Rigorous implementation of supplier accreditation in order to ensure fairness and competitiveness based on objective criteria of quality, cost and delivery.
- Universal obligatory implementation and enforcement of the rules set out in this Code.

4.5 RESPECT FOR STRATEGIC PARTNERS

TUBACEX instills in its external Collaborators, its principles of conduct at the moment of collaboration or merging of certain projects or companies, requiring acceptance and internal dissemination throughout the different organizations.

4.6 RESPECT FOR LOCAL COMMUNITIES AND COUNTRIES

TUBACEX respects the political sovereignty of the states where it operates without intervening or interfering with administrative functioning.

TUBACEX carries out its activities while respecting natural environments and cultures in every country where it is based.

Nevertheless, TUBACEX reserves the right to express its position to administrations and governments regarding:

- Any and all issues directly or indirectly regarding its activities and issues concerning its activities, Collaborators and shareholders.
- Respect for human rights.
- Respect for the natural environment.

TUBACEX, by the nature and definition of its activities, participates in the economic and social development of the countries where it operates, and particularly in local areas of influence.

4.7 POLITICS

TUBACEX prohibits all Collaborators, by definition of job responsibilities, who may act on its behalf, to participate in political activities in any country where civil rights and freedoms are not respected, regardless of having industrial and/or commercial ties therein.

4.8 ENVIRONMENT

TUBACEX expresses respect and concern for environmental protection and sustainable development and embraces a commitment to carry out its activity using resources required to protect the environment.

TUBACEX, aware of the impact of its industrial activity on the environment and setting, maintains strict environmental monitoring, promoting clean energies, responsible waste management and impact minimization.

4.9 USE OF INSIDER INFORMATION

TUBACEX ensures that any and all private information not released to the market and, which could affect security trade prices, shall not, in any way, be used as a basis for trading by their employees in the exercise of their professional activities, until such information is publicly released.

In this regard, given that TUBACEX, S.A. is a publicly traded company, it must be mentioned that it also has an established Code of Conduct required by the Securities Exchange Act, which is comprehensively applicable to all Collaborators with respect to their areas of responsibility in order to be granted access to said insider information.

4.10 PROTECTION OF PROPERTY, ASSETS AND RESOURCES

TUBACEX makes available to its Collaborators all resources required for the execution of its professional activities.

Physical assets are -buildings, facilities, equipment, tools or office supplies-; intangible assets -IT systems and software, deeds, patents, trade secrets, drawings, models, rights,

inventions, processes, domains, information protected by registered trademark or copyright-which belong to TUBACEX.

Collaborators shall make honest, responsible, safe and appropriate use of the Group resources mentioned above during the exercise of their professional activity and pursuant to any standards of application to specific cases. Moreover, all employees shall protect the above mentioned assets and ensure that none of them are stolen, damaged, destroyed or misused in such way as to damage the interests, customers, suppliers and/or associates of TUBACEX.

TUBACEX, in particular, recognizes the value of intellectual property in all its forms, including know-how, patents, designs, trademarks, trade secrets and trade references. TUBACEX actively protects the rights of its own intellectual property and respects those of third-parties. Any intellectual property generated in projects, development, queries and other work carried out by TUBACEX and its Collaborators shall remain the property of TUBACEX at all times unless expressly stated otherwise in specific cases.

4.11 PREVENTION OF MONEY LAUNDERING

Each and every recipients of this Code shall not promote, facilitate, or conceal any type of money laundering operation, and shall in all cases report any suspected money laundering operations.

4.12 REPUDIATION OF ALL FORMS OF BRIBERY AND CORRUPTION

In all relationships -if applicable- with state authorities and public representatives, European and third countries, TUBACEX shall always act respectfully and in accordance with applicable legislation established to promote and defend their legitimate business interests, and shall repudiate all forms of bribery and corruption.

In this regard, all offers and/or favors, directly or indirectly, to obtain commercial or any other type of advantage from a third party, either public or private, are strictly prohibited. Additionally, TUBACEX shall not accept any advantage with similar characteristics in exchange for preferential treatment by a third party.

Improper offers and/or favors in order to influence the decision of the recipient, government official or not, shall not only lead to disciplinary sanctions, but also criminal charges.

4.13 CONFLICTS OF INTEREST

Normal performance of the activity of TUBACEX may lead to situations in which personal interests of a Collaborator, or personnel with whom it has relations, are in contradiction with the interests of TUBACEX.

In this case, the employee should give priority to its position at TUBACEX and, where appropriate, consult the issue with a Supervisor, or the Compliance Manager, who shall analyze and escalate the issue to the Audit and Compliance Committee if deemed necessary.

To prevent this type of situation, Collaborators must avoid:

- Possession of personal interest in the company of a partner, supplier, competitor or customer, without prior written authorization by TUBACEX.
- Participation in any professional activity outside TUBACEX without prior written authorization by TUBACEX, in cases where Collaborators have a full-time employment contract.

4.14 ACCEPTING OF GIFTS

Collaborators may not give or accept personal benefits, gifts, favors or financial compensation from any TUBACEX customer or supplier, or from any other natural or legal person attempting to do business with TUBACEX.

Attendance at social events, symposiums, conventions and any other training activities, duly authorized to said effect, as well as invitations to work breakfasts, shall not be considered as personal benefit for the purposes of this Code.

In general, gifts may only be accepted, which are of a promotional or complementary nature and which are within acceptable limits both in terms of customary practice as well as laws against corruption.

TUBACEX and its Collaborators shall ensure timely dissemination of this criteria among customers and suppliers.

4.15 CONFIDENTIALITY

TUBACEX values and protects confidential information, while also respecting confidential information of third parties.

Every Collaborator must protect the confidentiality of all information available during the execution of required job responsibilities, while also respecting the obligation of non-disclosure by any verbal, written or electronic means, of any confidential professional information, unless authorized by an immediate supervisor or, if applicable, the Compliance Manager.

Notwithstanding any confidentiality restrictions applicable to each case, everybody at TUBACEX shall notify any information which must be internally or externally communicated, accurately and in full.

TUBACEX also respects the fact that third parties have the same interest in protecting their confidential information. If third-parties share confidential and privileged information with TUBACEX, said information shall receive the same care as that for confidential information received from TUBACEX.

These obligations remain applicable including when Collaborators are no longer in the service of TUBACEX.

4.16 PROTECTION OF PERSONAL DATA

TUBACEX obtains personal information from not only their Collaborators, but also as a result of the development of its business activity, from its suppliers, customers and shareholders, which is unique to each individual in every case.

In this respect, in accordance with the Organic Law 15/1999 of 13 December, Protection of Personal Data (hereinafter “LOPD”) and the Royal Decree 1720/2007 of 21 December, approving regulations regarding development, TUBACEX has designed a comprehensive data protection policy, in order to protect and ensure the proper treatment of said personal information.

5.1 ETHICAL CHANNEL

TUBACEX, a pioneer in good corporate governance good practices, provides personnel with an ethical channel to report to the Compliance Manager any suspicious or possible conflicts of interest requiring analysis.

Although pursuant to the Spanish Organic Act on Personal Data Protection, any communications through this channel cannot be anonymous, TUBACEX guarantees confidential treatment of both information and reporter.

Any seemingly irregular or suspicious activities that may be an infringement of this Code must be clearly and fully reported, indicating the corresponding identification of the sender, using any of the following means:

- Email: buzonetico@tubacex.es
- Postal address (Attn: Compliance Manager):
Tres Cruces, 8, -01400 Llodio- (Araba-Álava) SPAIN

The Compliance Manager reserves the right to analyze, evaluate and, where applicable, reject any communications that do not strictly comply with the regulations in this Code, otherwise escalating the instruction of all facts, to said effect, as deemed appropriate, to the Audit and Compliance Committee. The Audit and Compliance Committee shall apply said instruction in accordance with the procedure stipulated for said purpose in this Code.

The role of Compliance Manager rests with the Secretary General and the Secretary non member of the Board of Directors.

5.2 AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee is a delegated commission and answers directly to the Board of Directors.

The composition, mission and operation of the Committee regarding this matter are defined as follows.

Composition and appointment

The Audit and Compliance Committee must have at least three members and be exclusively made up of non-executive members appointed by the Board of Directors. The Chairman, selected among independent board members, must be replaced every four years and can be re-appointed successively for two further terms.

Mission

Notwithstanding any other task assigned by definition, the Audit and Compliance Committee must expressly monitor observance and application of the company Code, by channeling Code management and update through the company regulation Compliance Manager.

Competences

The Audit and Compliance Committee has the express authority to monitor compliance before the Board of Directors and supervise any matters related to business ethics, and in particular:

- Approval of any emission and update of the Code by the Board Of Directors.
- To verify those procedures to enable optimal knowledge, understanding and observance of this Code by all TUBACEX personnel are in place.

- To advise, in the event of questionable situations or regarding any questions posed by TUBACEX Collaborators regarding the application or compliance with this Code, while ensuring complete confidentiality.
- To be informed at all times of any communication, verbal or written, concerning TUBACEX ethics, and to demonstrate the highest level of interest in all provisions of governmental and non-governmental organizations, at the European and international levels.
- To update the TUBACEX regulations required for both the renewal and activation of laws or other provisions, as well as its for lack of suitability with respect to underlying realities.

Operation

The Audit and Compliance Committee meets as convened and pursuant to the agenda proposed by the Chairman or majority of members and their decisions will be made/taken by majority.

The Chairman shall submit the minutes of its meetings to the Board of Directors in order to promptly report any actions meriting special attention.

TUBACEX General Operations Management shall, in a timely manner, inform the Audit and Compliance Committee of all projects initiated during the year, which could have an impact on the ethical order.

For all requirements, the Audit and Compliance Committee shall rely on TUBACEX Internal Audit Management, with which it maintains regular contact.

Procedure

The Audit and Compliance Committee shall receive, through the Compliance Manager, all issues, which the corresponding organization, upon review of the latter, deems as dubious, suspect and/or seemingly irregular, with respect to questions of application and/or interpretation of this Code, or regarding any infringement thereof.

To this end, if considered appropriate, each particular case shall be examined, thus providing the best efforts while reserving, in all cases, the broadest powers to carry out any actions deemed necessary in order to clarify the facts of the issues raised under the Compliance Manager.

Among said actions, by way of example and without limitation, are those listed below: record statements from all personnel related to the case, gather information, request collaboration, either through the author, or through other auxiliary Collaborators, if required.

After due study, analysis, training and final evaluation of each case, the Audit and Compliance Committee, in accordance with their own judgment, shall issue its opinion, which must be issued by the Compliance Manager, solely and exclusively, to the authors of the questions initially posed to the Compliance Manager.

Notwithstanding the foregoing, the Audit and Compliance Committee may also intervene in any matter concerning the application and interpretation of this Code, and may visit any TUBACEX establishment or subsidiary.

Duty of confidentiality

The members of the Audit and Compliance Committee are obliged to keep the identity of the authors of the questions posed to the Compliance Manager in the strictest confidentiality and shall keep confidential all information that may permit identification thereof.

Additional provisions of interest

Information and training

Once the Code is approved by the Board of Directors, phased comprehensive outreach and training shall be carried out for the full membership by each and every internal and external TUBACEX Collaborator.

Information and training shall be carried out in accordance with the plan established by TUBACEX for said purpose.

Acceptance

All Collaborators expressly accept the general principles of conduct as well as the standards of conduct and ethical behavior set out in this Code.

Professionals, who in the future shall become part of the TUBACEX group of Collaborators, likewise expressly accept the general principles of conduct as well as the standards of conduct and ethical behavior set out in this Code, annexing this document to their corresponding work agreements.

Update

This Code shall be revised and updated by the Audit and Compliance Committee.

The Compliance Manager may likewise submit improvement proposals or, if applicable, encourage the adaptation of the Code in its entirety.

Any revision or update resulting in the modification of this Code, shall require approval by the Board of Directors, with a preliminary report issued by the Audit and Compliance Committee.

Approval

This Code was approved during the meeting of the Board Of Directors held on June 27, 2013 and last amended during the meeting of the Board of Directors held on January 23, 2014.



January 2014