

exiros

Code of Conduct
Guidelines and Standards of Integrity and Transparency

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Dear Colleague,

Since its foundation in year 2001, we have been coping with the challenge of transforming Exiros, a fast growing organization with its current 20 operational offices organized in product/region specialized units in 11 countries and with over 500 employees (including 400 professional buyers), into a single, well-coordinated, efficient and effective procurement service organization. This evolution has allowed us to be more competitive in a difficult global environment and to continue our successful growth.

The main and more recent steps of our transformation are the expansion of the organization into Romania (following Tenaris's acquisition of Silcotub and Donasid) and into Mexico (after Ternium's acquisition of Hylsamex) and the foundation of the representative office in China. Today Exiros is facing a new challenge with its expansion in the United States, Canada & Colombia following Tenaris's acquisition of Maverick Tube Corporation, Prudential and Tubos del Caribe operations.

Since we are responsible for the procurement of goods and services to supply the industrial operations of our customers, it is of vital importance that we preserve an environment that promotes absolute transparency and integrity of our management, which are two of our core values.

Similarly, respect for applicable laws, external and internal regulations, and sharing the most significant strategies and information about the management of the corporation constitute a fundamental commitment on the part of Exiros with all of its employees.

Part of this system is the adoption of a Code of Conduct that, in addition to establishing the ethical principles that form the basis for relations between Exiros, its employees and its suppliers, provides means and instruments that grant transparency in connection with issues and problems that may have an impact on the proper management of the Exiros organization.

The Code of Conduct defines the guidelines and standards of integrity and transparency to which we all should adhere.

In the same context, the Transparency Policy Governing Relationships with Third Parties is the first in a series of Policies that will further specify the principles included in the Code. This Policy, posted on our Intranet, deals with conflicts of interest, duty of non-competition, gifts from third parties, and reporting of violations. As an annex, it includes the Conflict of Interest Declaration Form, which is to be completed by those of you whose responsibilities justify it.

Our commitment to an open and transparent administration, based upon respect for laws and external and internal regulations, is essential to ensure the trust of our shareholders and financiers, as well as that of our colleagues, customers, suppliers, and of the institutions with which we interact. This trust is one of our key assets, and a fundamental element of our competitive strength. To preserve it is a duty for us all.

July 2007
Renato Catallini
CEO

1. Introduction

The Code's guidelines apply to company employees, contractors, subcontractors and suppliers.

This Code of Conduct defines guidelines and standards of integrity and transparency which must be complied with by all employees at all levels within the Exiros companies.

As far as the nature of each relation permits, all principles detailed herein shall apply to the relations that Exiros has with contractors, subcontractors, suppliers, consultants, interns and trainees, whether paid or non-paid, subject to and in accordance with applicable national laws.

Within the labor relationship established by each Exiros company, all employees must abide by the applicable laws, external and internal regulations and the guidelines of this Code, with a personal commitment to honesty, loyalty to the company and transparency in all work-related actions.

The code calls for personal commitment to laws, honesty, company loyalty and transparency.

Any work-related conduct that brings to employees or their relatives and associates, any unauthorized personal benefit that would harm the company or any of its stakeholders (shareholders, customers, suppliers, other employees and the community) shall be considered contrary to the principles of this Code.

The following questions should be considered before making any work-related decision:

- **Does this decision comply with Exiros' internal rules and regulations?**
- **Does the decision comply with the letter and spirit of the Code of Conduct?**
- **Can the decision be justifiably viewed as the most appropriate course of action?**
- **Could this decision, if made public, compromise Exiros or be harmful to its reputation or its standing in the community?**

2. Implementation of this Code of Conduct

The Code is applied by the Management and the Internal Audit Department

The implementation of this Code of Conduct will be carried out by the Internal Audit Department

Accordingly, the Internal Audit Department will resolve any question relating to the implementation or interpretation of the Code which cannot be satisfactorily resolved by the usual supervisory levels.

The Exiros Human Resources Department will implement any relevant rules and procedures in order to ensure full compliance with the Code.

The Exiros management will take the necessary measures to ensure that all staff, suppliers, subcontractors, and consultants know and understand the provisions of this Code and understand how it will apply in their workplace environment.

Employees requiring further information than that provided by their supervisors, may contact the Internal Audit Department in Buenos Aires, Argentina by e-mail at auditoria_responde@exiros.com.

3. Compliance

The guidelines set out in the Code take precedence over obedience to higher-ranking officials.

Agreement to comply with the provisions of this Code is a condition for employment in Exiros.

Compliance with this Code of Conduct shall be the exclusive and personal responsibility of every employee. Employees -once informed of the Code's application- may not plead ignorance or obedience to higher ranking officials in the event of non-compliance with this Code.

In light of suspected violations, employees should adopt a proactive behavior, avoiding attitudes of nonintervention, and acting on their own initiative should they discover incidents of non-compliance with the Code in any kind of process.

Every employee should comply with the guidelines and other values in this Code and cooperate with internal investigations when required.

Supervisory levels shall not approve or tolerate violations to this Code, and in case of awareness of such incidents, they shall report them immediately.

Disciplinary sanctions may lead, depending on the seriousness of the violation and in accordance with the laws in force, to dismissal and to legal action being initiated even after dismissal.

4. Reporting Violations

The Code regulates the development of a Compliance Line, with an option to keep reporters' ID confidential and respectful of the right of defense of the staff involved.

In accordance with applicable national laws, Exiros shall establish a Compliance Line for any questions, requests for guidance or reports of situations or conducts contrary to the principles of this Code of Conduct.

This communication channel will ensure the mechanisms to prevent any punitive measures against employees who contact the Compliance Line.

The Compliance Line will operate according to procedures established by the Internal Audit Department.

Callers to the Compliance Line may request that all records regarding their report bear an assumed name in order to safeguard the confidentiality of their identity.

The Exiros management will take the necessary measures to ensure complete confidentiality of the information received, a fair treatment for the personnel involved in alleged violations of the Code, and the right of defense of the employees involved.

5. Guidelines

5.1. Compliance with the law

Employees must comply with applicable laws.

All employees shall abide in all cases by the laws in force in the different countries in which they are operating for the Exiros companies.

All employees shall take the necessary steps in order to ensure that no Exiros company is or may be directly or indirectly involved in any money laundering transaction.

5.2. Transparent Management

Information furnished must be accurate and decisions transparent.

Employees should take the necessary steps to ensure the transparency of information and decision-making.

For the purposes hereof, information is transparent when it accurately reflects reality.

A decision is defined as transparent when it meets all of the following conditions:

- **It has approval at the appropriate level.**
- **It is based on a reasonable analysis of the risks involved.**
- **It leaves records of its rationale.**
- **It places the best interests of the company ahead of personal interests.**

5.3. Conflict of Interest, Duty of Loyalty and Non-competition

Conflicts of interest must be disclosed.

An actual or potential conflict of interest exists when a relationship between the employee and a third party might affect the interests of Exiros.

In their relationship with customers, suppliers, contractors, and competitors, employees shall prioritize the interests of Exiros and its customers over any situation that may lead to an actual or potential personal benefit, for themselves or any of their relatives or associates.

Conflicts of interests involving Exiros personnel must be fully disclosed in writing. This disclosure must be signed and updated according to the **Transparency Policy Governing Relationships with Third Parties**.

5.4. Gifts

Acceptance of gifts is restricted.

Employees must decline personal gifts or gratuities in accordance with the Exiros Transparency Policy Governing Relationships with Third Parties. Invitations to business-related events, conferences, conventions, commercial presentations or technical courses shall be previously authorized by the corresponding supervisory levels. All expenses related to these events must be disbursed by Exiros.

Restrictions on gifts and gratuities also apply to employee relatives and associates.

5.5. Use of Assets

Company assets must be used with care and responsibly.

Staff shall ensure that company assets are used for the intended purposes and by duly authorized persons.

According to national laws in force, every employee has a responsibility to protect company property and other tangible and intangible assets against any unauthorized use, breach of trust, damage or loss through negligence or criminal intentions.

5.6. Security of Company Information

Information must only be accessed by authorized personnel and protected from undue disclosure.

Only duly authorized persons may have access to the Exiros companies' internal physical, magnetic, electronic or optical information. Such information may only be used for the purposes and periods specified in the authorization.

The password is equivalent to an employee's signature. It may only be known by its owner and disclosure to third parties is not permitted.

Employees are directly responsible for taking the necessary steps to safeguard company information from damage or loss and to ensure its safe custody for the period established in the internal rules and regulations.

5.7. Confidentiality of Company Information

Information that must not be legally disclosed, should be kept confidential.

Employees shall maintain confidential all the information they have access to in the performance of their work for Exiros, even if this information is not classified and is not specifically related to Exiros, but refers to customers, competitors, suppliers, markets and public organizations.

Non-compliance with the obligation of confidentiality will be considered a serious violation, if it involves the disclosure of - or provides the opportunity to disclose – non-public information related to Exiros’s undertakings and activities.

Confidentiality shall be maintained in accordance with national laws, until the corresponding information is made public.

The Internal Audit Department reserves the right to monitor the flow of information, records, and any other company information, in order to verify if the provisions of this Code are being complied with, and to safeguard the interests of Exiros.

For these purposes, national laws and particularly the respect for the privacy and property rights shall be honored.

The Internal Audit Department keeps the authority to monitor company information flows.

5.8. Insider Trading

Insider trading and information tipping are strictly forbidden.

No employee may purchase, sell or otherwise trade in securities of the Exiros companies or their affiliates (including Tenaris and Ternium and their respective subsidiaries) or any company that trades with the Exiros companies or their affiliates, while in possession of material non-public information.

In addition, employees may not divulge, directly or indirectly, to third parties any material non-public information accessed by them in the performance of their tasks for Exiros, and concerning any of the Exiros companies, their affiliates or any other publicly traded company.

Beyond disciplinary action, and within the applicable legal framework, a violation of this policy may lead to further legal actions against the employee involved.

Employees investing in stocks must know the regulations restricting their capacity to negotiate securities or provide sensitive information to third parties.

5.9. Use of Technological Resources

Hardware and software must be used only for corporate purposes or other expressly authorized uses. Use of non-licensed software is strictly prohibited.

Employees may not use equipment, systems and technological devices for purposes other than those authorized by Exiros.

The use of software that does not comply with official company standards is not permitted, unless authorized in writing by the respective technical areas. Employees must refrain from bringing into the company's technological environment illegal copies of software.

Employees operating technological resources shall be informed about user restrictions and shall not violate licensing agreements or do anything to compromise the company's liability.

Technological resources shall be handled in accordance with the operating regulations and procedures defined by the corresponding departments.

5.10. Intellectual Property Rights

Copyright on any know-how developed in the workplace environment is reserved to Exiros.

Proprietary rights over any knowledge developed in the workplace environment belong to the relevant Exiros company, which upholds its right to exploit such knowledge in the manner and at the time it considers most suitable, in accordance with national laws in force.

Ownership of intellectual property includes plans, systems, procedures, methodologies, courses, reports, forecasts, drawings or any other activity performed in or contracted by the company.

5.11. Internal Control Environment

All Employees, in their respective functions, are responsible for the definition and proper functioning of internal controls.

It is Exiros policy to disseminate, at every level of its organization, a culture characterized by an awareness of the existence of controls and a control oriented mentality. A positive attitude towards control is to be achieved in order to increase its efficiency.

Internal controls are all those necessary or useful tools for addressing, managing and checking activities in the company; they aim at ensuring respect of corporate norms and procedures, protecting corporate assets, efficiently managing operations and providing precise and complete accounting information.

The responsibility for building an efficient internal control system rests with all levels of the organization; therefore all Exiros employees, in their respective functions, are responsible for the definition, implementation and proper functioning of internal controls.

5.12. Commercial Incentives

Commercial incentives must be consistent with applicable laws and market practice.

The grant of any commissions, discounts, credits and bonuses must be performed in accordance with existing legislation and officially granted to legally recognized organizations with the corresponding supporting documentation.

Even if it complies with the above-mentioned requirements, any commercial incentive must furthermore be in line with standard market practice, at authorized values and following procedures duly approved and recorded in accordance with internal regulations.

5.13. Workplace Environment

Unlawful discrimination in employment relationships is prohibited.

All persons have the right to apply for a position in the Exiros companies or to be considered for a new position in accordance with opening requirements and merit criteria, without arbitrary discrimination.

All employees at all levels, shall co-operate to maintain a respectful environment should there be personal differences.

Promotes a respectful, healthy and safe workplace environment.

Exiros will implement mandatory policies related to alcohol and drugs, in line with applicable national laws and aiming to promote a healthy and safe workplace environment.

5.14. Relations with the Community

Political dealings on behalf of Exiros or its affiliates are restricted, and relations with government officials are regulated.

Employees are not authorized, on behalf of Exiros or its affiliates, to openly support any political party; or to participate in electoral campaigns; or to take part in religious, ethnic, political or inter-state conflicts.

All Exiros employees must respect the legislation and regulations regarding relations with local government officials.

Respect for environmental legislation is promoted.

Respect for national laws and regulations also extends to compliance with environmental legislation and the rational use of natural resources.

5.15. Relations with Suppliers and Customers

Supplier selection and procurement procedures must promote fairness and impartiality and pursue the customer's best interests

In the selection of suppliers and the negotiation of the terms and conditions of any purchases of goods and services, Exiros must apply the values and criteria of competitiveness, correctness, impartiality, fairness, equitable price and quality.

Procurement procedures must pursue the customer's best interests and must be based on fairness and impartiality principles.

The operations of procurement and sale performed by the Exiros companies involving related parties must be conducted in line with arm's length market practices.