

# Code of Conduct

Guidelines and  
Standards of Integrity  
and Transparency

**TECHINT**  
Engineering & Construction

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Dear Colleague,

We present you the updated version of this Code of Conduct ten years after its release, including the new legislation applicable to our operations, the generally followed practices on the subject, and all the experience we have accumulated over these years.

This Code of Conduct applies to Techint E&C S.A. and its directly or indirectly controlled subsidiaries (collectively, the “Companies”).

Given the nature of its operations, the Companies expand the frontiers of their business, constantly meeting new and complex realities and challenges; hence, it is essential to face them effectively and in accordance with our organization’s fundamental values.

Therefore, we are committed to building a corporate culture of transparency and integrity, based on ethical behavior and compliance with the law. This is essential for the long-term sustainability of our business in a competitive market environment.

The reputation of our business is the result of the actions each of us carries out every day. It is also a source of value for our customers and the communities where we operate, and one of the greatest assets we have.

We rely on each of you to proactively join us in promoting the continuous improvement throughout our operations and practices.

January 2016



Lodovico Rocca  
President



Carlos Bacher  
Vice-president and CEO

## 1. Introduction

**It demands a personal,  
non-transferable  
commitment to respect  
the law, and to honesty,  
loyalty to the Companies,  
and transparency.**

The Code's guidelines apply to the Companies' employees, Directors, contractors, subcontractors, commercial intermediaries, suppliers, and anyone who performs services for or on behalf of the Companies who might be capable of engaging in unethical behavior on behalf of the Companies.

This Code of Conduct defines guidelines and standards of the integrity and transparency, which must be complied with by all employees at all levels within the Companies. However, neither this nor any Code of Conduct can address every situation or be a substitute for applying common sense and good judgment. When in doubt, seek advice from the direct supervisor, the corresponding Director, the Corporate Audit Department, the Legal Department, or the Business Conduct Compliance Officer (*BCCO*), as appropriate.

As far as the nature of each relation permits, all principles detailed herein shall apply also to the relations that the Companies have with contractors, subcontractors, suppliers, associated persons, such as commercial intermediaries, non-commercial representatives, consultants or anyone who performs services for the Companies or on their behalf, whether paid or unpaid, that is, all of whom might be capable of engaging in unethical behavior on behalf of the Companies.

Any joint venture or similar partnership controlled by the Companies should adopt a Code of Conduct and Transparency Policy consistent with the principles described herein. In situations in which the Companies are involved in a joint venture or other legal entity but not as a controlling party, they will encourage the joint venture or the entity in question to align with the requirements of this Code.

Within the labor relationship held with the Companies, all employees must abide by the laws, the external and internal regulations, and the guidelines of this Code, with a personal, non-transferable commitment to honesty, loyalty to the Companies, and transparency in all work-related actions.

The employees of the Companies and other persons to whom this Code applies are all expected to: (1) learn about and comply with the laws, regulations and the policies and procedures of the Companies that apply to their job; (2) seek prompt advice and guidance if unsure about the course of action to take and encourage others to do the same; (3) be alert to and report any issues or potential violation to their direct supervisor, the corresponding Director, the Corporate Audit Department, the Legal Department, or contact the Compliance Line and, with respect to the matters covered by the Policy on Business Conduct, the *BCCO*; and (4) never judge or retaliate in any way against an individual who raises an issue, reports a violation or participates in an investigation. The following questions should be considered before making any work-related decision:

- Does the proposed action comply with applicable law and the Companies' internal policies and procedures?
- Does the proposed action 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 the proposed action, if made public, compromise the Companies or be harmful to its reputation or its standing in the community?

## **2. About the Implementation of this Code of Conduct**

The bodies in charge of the enforcement are the levels with supervised personnel, the Corporate Audit Department and the Executive Vice-presidency.

The Executive Vice-presidency will be the top-level decision making body for the implementation of this Code of Conduct by the Companies.

The Corporate Audit Department will resolve the questions relating to the interpretation and operational implementation which cannot be satisfactorily resolved at the usual supervisory levels or by the Business Conduct Compliance Officer (*BCCO*) on the subject regulated by the Policy on Business Conduct.

The Human Resources Department shall implement the rules and procedures in order to ensure the implementation of the Code without exception.

The Administration, Finance, and Systems Department, the Human Resources Department, and the Management shall assist with the implementation of the appropriate measures that ensure all personnel, suppliers, agents, representatives, subcontractors, consultants, and anyone who performs services to the Companies or on their behalf are aware of the contents rising from the Code of Conduct and understand its range of application in their workplace environment.

The personnel requiring further information than that provided by their supervisors may contact the Corporate Audit Department by e-mail at: [auditoria\\_responde@techint.com](mailto:auditoria_responde@techint.com).

### **3. Compliance**

**The guidelines set out in the Code take precedence over hierarchical instructions.**

Adherence to the conduct guidelines set forth herein is a condition for employment at the Companies.

All employees shall have personal and non-transferable responsibility in the application of this Code and, once informed about its implementation, they may not justify its transgression due to ignorance or to conflicting instructions received by any hierarchical level.

Employees should adopt a proactive attitude that prevents passively tolerance towards possible deviations, and act on their own initiative when detecting deviation from the principles of this Code in any kind of process.

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

The hierarchical levels with supervisory functions 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 to dismissal with justifiable grounds and to legal actions being initiated even after dismissal, depending on the seriousness of the violation and applicable laws.

## **4. Reporting Violations to the Code of Conduct**

It regulates the development of a Compliance Line, with an option to protect identity and respect towards the right of defense of the personnel involved.

In accordance with applicable laws, the Companies have established a Compliance Line for any questions, requests for guidance, or reports of situations or conducts contrary to the principles established herein.

The operation of this communication channel will ensure the mechanisms to prevent any punitive measures against employees who contact the Compliance Line.

The Compliance Line will operate under the procedures developed by the Corporate Audit Department.

In order to ensure the confidentiality of the identity, callers to the Compliance Line may request that all records regarding their report use an assumed name.

The Companies' management will take the necessary measures to ensure complete confidentiality of the information, a fair treatment for the personnel involved in conducts contrary to the Code, and the right of defense of any such personnel.



## 5. Conduct Guidelines

### 5.1. Compliance with the Law

#### Employees must comply with applicable laws.

All employees shall abide in all cases by the laws to which the Companies are subject, including the laws in force in the different countries in which they operate. Employees should be aware that, because of the Companies' global operations, any inappropriate conduct in one country can subject the Companies or its employees to legal liability, not only in the country where the misconduct occurs, but potentially in other countries. If there is any question whether a proposed action or other occurrence may subject the Companies to legal liability in any country, employees should immediately present the issue to their direct supervisor, the corresponding Director, the Corporate Audit Department or the Legal Department. They must also contact the Business Conduct Compliance Officer (*BCCO*) in relation to the subject matter of the Policy on Business Conduct.

From time to time, the Companies issue policies, regulations and guidelines to better achieve its business purposes, follow best practices and comply with regulations imposed by the various jurisdictions in which they conduct business. While the Companies always strive to effectively communicate such policies, regulations, and guidelines, employees are also expected to determine which ones are applicable to them. Employees can consult the Companies' Intranet or the Legal Department for assistance in this regards.

## **5.2. Transparent Management**

**Information furnished must be accurate and decisions transparent.**

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

For operating purposes, information is transparent when it accurately represents reality.

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

- It has approval at the appropriate level as set forth in the applicable policy or procedure.
- It is based on a reasonable risk administration analysis.
- It leaves record of its rationale.
- It places the interests of the Companies ahead of any personal interests.
- It has been duly communicated.

### **5.3. Conflict of Interest, Duty of Loyalty and Non-concurrency**

#### **Conflicts of interest must be communicated.**

A real or potential conflict of interest exists when relationships between personnel and third parties might affect the Companies' interests.

In their relationship with customers, suppliers, commercial intermediaries, contractors, and competitors, employees shall prioritize the Companies' interests over any situation that may represent a real or potential personal benefit, either for themselves or for any of their associates.

Conflicts of interests involving the Companies' personnel must be fully communicated in writing, as required by the Policy on Transparency in Relationships with Third Parties.

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

Employees are expected to act fairly, loyally and honestly, always in accordance with the Companies' commercial purposes and core values.

## **5.4. Gifts and Entertainment**

### **Promising, giving, and acceptance of gifts is restricted.**

Promising, giving, and receiving gifts, meals, and entertainment can be a part of building business relationships. However, no employee of the Companies, nor any person who performs services for or on behalf of the Companies, should offer, promise, give, request, agree to receive, or accept excessive or inappropriate invitations, gifts, meals, or entertainment that could create or imply an improper influence or obligate any recipient.

The Companies' employees should exercise care in dealings with employees of private companies, as well as employees or officials of government agencies and government-affiliated entities, to ensure there can be no suggestion of impropriety.

Employees may give and accept courtesy gifts, meals or entertainment of modest value, such as small presents or hospitality gifts, only when such is not intended to bring about improper performance and could not be construed by an impartial observer as aimed at providing or obtaining undue advantages.

Employees, and Directors of the Companies that are not employees, shall not accept invitations, gifts, meals or entertainment from any third party that exceeds the amount or do not comply with the guidelines set forth in the Policy on Transparency in the Relationships with Third Parties. The reporting and authorization procedures set on said Policy shall be followed in all cases.

Under no circumstances may cash or goods easily converted into cash be given or accepted.

Invitations to business-related events, conferences, conventions, commercial presentations or technical courses shall be authorized by the supervisory levels defined under the Policy on Transparency in the Relationships with Third Parties.

These restrictions on the receipt or provision of invitations, gifts, meals or entertainment are equally applicable to relatives or associates of any person with whom any employee of the Companies may be dealing or interacting with in any matter related to the Companies.

## **5.5. Use of Assets**

**The Companies' assets must be used with care and responsibly.**

Personnel shall ensure the good use of the Companies' assets, for the appropriated purposes and by authorized persons.

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

## **5.6. Security of the Companies' Information**

**Access to information is limited to authorized personnel and it is forbidden any undue disclosure.**

Only duly authorized persons may have access to the Companies' internal information, whether in physical, magnetic, electronic or optical form, for the purposes and periods specified in the authorization.

The password, that is equivalent to the employee's signature, must only be known by its owner and cannot be disclosed to third-parties.

Employees are directly responsible for taking the necessary measures to safeguard the Companies' information from the risk of damage or loss, and to ensure its custody for the period established in the laws and internal rules and regulations.

## **5.7. Confidentiality of the Companies' Information**

**All information that must not be legally disclosed should be kept confidential.**

The Companies' employees must keep confidential all the information to which they have access in the performance of their work for the Companies, even if such information is not classified or is not specifically about the Companies (for example, information about shareholders, customers, competitors, suppliers, markets, public organizations, etc.), and regardless of the manner in which such information is obtained or communicated. Such obligation includes, without limitation, information obtained or communicated orally, in writing, electronically, by way of inspection of books and records, through voice or image recordings or in any other form, as well as information maintained on paper or digital documents or files, images, sound, voice and video recordings or in any other format.

Some employees have access, either on a regular basis or only in certain occasions, to confidential information through the work they do. This could include, for example, information related to sales, marketing and business plans, financial data, technical product information, merger or acquisition activity, senior management changes, trade secrets, current and future products or services, research and development activities, inventions, potential contracts, market research, not-yet-released financial results or information, financial projections, organizational charts and information, information stored in the Companies data storage systems, or a range of other information.



The Companies' confidential information should never be shared with any person who does not need to know such information to perform work or a service for the Companies. As a general rule, confidential information can only be shared with authorized parties. Even within the Companies, confidential information should be shared only on a need-to-know basis. Personnel should follow all security procedures and be on the lookout for any instances that could lead to loss, misuse, or theft of the Companies' information or property. Confidential information of others with whom the Companies' do business or interacts with must also be respected.

In case of doubt, all information should be presumed confidential and treated carefully. The Companies' confidential information should always be protected to avoid improper or inadvertent disclosure. Confidential information should not be used to benefit another employer, outside business or inventions not sponsored by the Companies.

Non-disclosure shall be maintained until the corresponding information is made public. The employee's obligation to protect confidential information continues even after the employment relationships ends.

Non-compliance with the obligation of confidentiality will be considered a serious violation if it involves disclosure or facilitating the disclosure of non-public information related to the Companies' undertakings or activities.

## **5.8. Insider Trading**

**Insider trading and information tipping are strictly forbidden.**

No employee may purchase, sell or otherwise trade in securities of the Companies or any company that trades with the Companies while in possession of material non-public company information (insider trading).

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

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

Employees investing in stocks are mandatorily required to be aware of the regulations restricting their capacity to negotiate securities or to provide confidential or sensitive information to third parties.

## **5.9. Use of Technological Resources**

Hardware and software must only be used for the Companies' 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 the Companies.

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

Employees operating technological resources shall be informed about use restrictions and shall not violate licensing agreements or do anything to compromise the Companies' responsibility.

Technological resources shall be handled in accordance with the operating rules and procedures defined by the departments in charge of the subject.

The Companies, through the Corporate Audit Department, have the right to monitor, at any time and without any notice, the use of its information technology resources and therefore to access, review, copy or retrieve files, documents, records, databases, electronic messages (including both business and personal messages), internet activity and any other information generated through the use of the Companies' information technology resources.

Accordingly, users of the Companies' information technology resources should not have any expectations of privacy over information or communications generated or transmitted through, or stored in, the Companies' information technology resources.

Conversely, the Companies' will not access or monitor employee communications made through the use of third-party electronic web based message systems (such as Hotmail, Gmail, Yahoo; etc.) accessed through the Companies' computers.

Information and data stored on the Companies' premises and information technology resources (including the Companies' computers) belong to the Companies and, accordingly, the Companies' may choose to provide this information to regulators or other third parties if it deems it necessary or advisable.

## **5.10. Intellectual Property Rights**

**It reserves copyrights on any know-how developed in the workplace environment to the Companies.**

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

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

## **5.11. Control Environment**

**All personnel, in their respective functions, are responsible for defining and ensuring the proper functioning of internal controls.**

It's the Companies' policy to encourage, 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 must be developed in order to increase their efficiency and to ensure that the Companies' business is conducted in a way that is consistent with established practices, policies and procedures, and all applicable laws.

Internal controls are all those necessary or useful tools for addressing, managing, and checking the activities within the Companies. They aim at ensuring respect of the corporate standards and procedures, protecting the Companies' assets, efficiently managing operations, providing precise and complete accounting information, and preventing any illegal conduct.

Management is principally responsible for building an efficient internal control system, but employees at all levels of the organization are responsible for adhering to establish controls and for identifying and addressing any perceived weaknesses or failures in the proper functioning of internal controls.

## **5.12. Accurate Records and Reporting**

**All employees, in their respective functions, are responsible for the creation and maintenance of accurate records.**

It is the Companies' policy that: (1) the Companies' books and records reflect transactions in conformity with accepted methods of reporting economic events, (2) misrepresentation, concealment, falsification, circumvention, and other deliberate acts resulting in inaccurate financial books and records are unlawful and will not be tolerated, and (3) transactions are properly reflected on the Companies' books and records in such a manner as to permit the preparation of financial statements in conformity with applicable accounting standards.

Also, the term "records" is broad, including virtually any form of information made or kept by the Companies'.

### **5.13. Commercial Incentives and Bribery Prohibition**

**Commercial incentives must be adjust to applicable laws and market practices.**

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 mentioned requirements, any commercial incentive must be in line with the usual market practices, at authorized values, following the authorized procedures and registered according to the internal rules.

Employees should not give anything (e.g. money, gifts, travel expenses, excessive entertainment or any other advantage) to anyone if this action could be construed as (1) an intention to influence the decision of government officials or political representatives or their performance in a relevant function or activity, or (2) a violation of any applicable laws or regulations. The Companies will not permit the use of representatives, intermediaries, agents, subsidiaries or joint venture companies to give, or promise to give anything to anyone on behalf of the Companies in order to avoid this prohibition.



While this prohibition includes any third-party, employees should exercise particular care in dealings with government officials, which should be interpreted widely to include employees or officials of government agencies, government-affiliated entities, or government-controlled entities, including government-affiliated commercial entities (such as state-owned companies), to ensure there can be no suggestion of impropriety. No meals, gifts, travel or entertainment may be given to, or paid for, on behalf of a government employee or official, directly or indirectly, without complying with the rules set out in the Policy on Business Conduct and the procedures developed to regulate these expenses and to ensure adherence to the principles on this Code.

**Bribery is strictly prohibited.**

As set forth in the Policy on Business Conduct, the Companies will not condone, under any circumstances, the offering or receiving of bribes or any other form of improper payments to a third party.

In regards to the relations with public officials, most countries have laws which make it illegal to engage in bribery, including the U.S. Foreign Corrupt Practices Act. The OECD (Organization for Economic Co-operation and Development) Anti-Bribery Convention establishes legally binding standards to criminalize bribery of foreign public officials in international business transactions.

A breach of any of these laws is a serious offence which can result in fines for the Companies and imprisonment for individuals.

## 5.14. Protection of Competition

### Performing anti-competitive conducts is forbidden.

The Companies are committed to the values of fair, honest, and transparent competition.

Competition and antitrust laws around the world, many of which are applicable to the Companies, are aimed at prohibiting unreasonable restraints of trade and preserving competition. Examples of competition/antitrust violations include price fixing, bid rigging, market or customer allocation and abuse of a dominant position. The penalties for breaching competition and antitrust laws are severe. In addition to material fines and others penalties, individuals found guilty of the most serious offences can face imprisonment.

The Companies strive to strictly observe the competition and antitrust laws of all countries in which they do business, and to avoid any illegal conduct. Employees must not engage in any anti-competitive conduct, and must strive to avoid even the appearance of a possible violation. Employees with commercial responsibilities, or who attend trade associations or industrial group meetings, must be particularly aware of their obligations under applicable competition and antitrust laws.

While joining or forming consortia does not per se constitute a violation of competition law, caution must be exercised in order to avoid an unlawful restraint of competition. If there is any doubt, the Legal Department or the Business Conduct Compliance Officer (*BCCO*) must be contacted for advice.

## **5.15. Workplace Environment**

### **Prohibits unlawful discrimination in employment relationships.**

All persons have the right to apply for a position at the 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 cooperate to maintain a respectful environment should there be personal differences.

The Companies will implement mandatory policies in line with applicable national laws aiming to promote a healthy and safe workplace environment.

## **5.16. Relations with the Community**

**Political dealings on behalf of the Companies are restricted, and relations with government officials are regulated.**

On behalf of the Companies, employees are not authorized to openly support any political party, or to participate in electoral campaigns, or to take part in religious, ethnic, political or inter-state conflicts

Any political contributions made in any country shall comply with the policies and procedures set forth in the Policy on Business Conduct.

The Companies' employees must respect the legislation and regulations regarding relations with local government officials.

## **5.17. Promotion of Respect for Environmental Legislation**

**It promotes respect for environmental legislation.**

The Companies aim to achieve continuous improvement in environmental performance, concentrating their efforts on areas of greatest impact at our operation sites. The Companies seek to comply and expect all employees to comply with the spirit as well as the letter of the applicable environmental laws and regulations. Where none exists, employees must set themselves appropriately high standards.

The Companies are committed to driving down the environmental impact of their operations through the efficient use of resources, transport planning, the reduction of waste and emissions and the careful handling of hazardous substance.

The Companies' environmental standards apply to all locations and aspects of our business.

## **6. Validity**

This Code of Conduct revised version is effective as from January 21, 2016 and, as from that date, replaces and supersedes in its entirety the previous Code of Conduct. The Legal Department may postpone or suspend its application in those jurisdictions where the adoption and enforcement of this revised Code requires the approval of a competent government authority or prior compliance to special procedures from corporate governance on the part of any Techint E&C S.A. subsidiary.

The Companies reserve the right to modify the information herein without prior notice.









[www.techint-engineering.com](http://www.techint-engineering.com)  
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