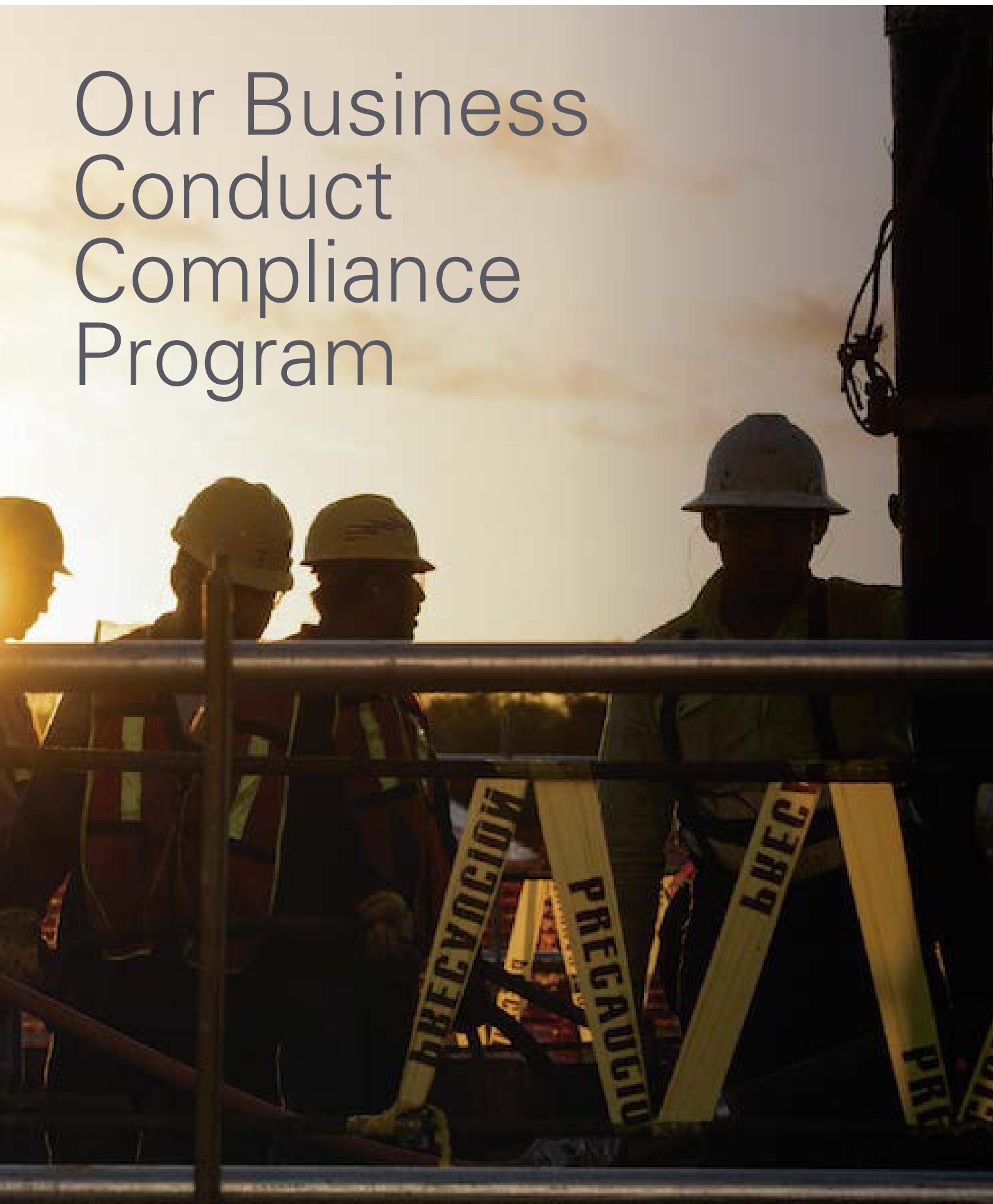


**TECHINT**

Engineering & Construction

# Our Business Conduct Compliance Program





# Commitment and Leadership

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Transparency and integrity have always been core values at Techint Engineering & Construction.

We know that our business success goes hand-in-hand with a committed and respectful approach to our customers, the communities impacted by our projects, government authorities and all of our stakeholders.

Throughout our corporate history, we have focused on developing tools to strengthen a culture based on business ethics, a process which we continually update. The key factor which guarantees that our Business Compliance Program continues to be relevant and timely is Management's constant commitment and dedication.

Leading by example is at the base of our success: not just talking, but doing. All our managers foster this ethical behavior in their teams, and are constantly monitoring the application of our principles.

Our people share in and work towards the expression of this commitment as the foundation for their decision-making.

We strongly believe that this is the only way to successfully conduct sustainable business in our industry.

## **Carlos Bacher**

Executive Vice President and CEO  
Techint Engineering & Construction



A CULTURE BASED ON BUSINESS ETHICS  
IS THE ONLY WAY TO SUCCESSFULLY  
CONDUCT SUSTAINABLE BUSINESS

# Techint E&C Business Conduct Compliance Program

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Our Business Conduct Compliance Program sets forth a Policy on Business Conduct and a series of procedures to ensure adherence of our employees to our ethical principles and anti-bribery provisions.

Along with our Code of Conduct and our Transparency Policy, the Program rules the way we should interact with Public Officials, Governmental Entities, other organizations and private persons. It also provides for specific rules to assess and review third parties commitment to our ethical standards, since

we count on their consistent compliance with applicable laws and specific regulations.

The Program takes a preventive approach by developing an extensive communication strategy and employee training activities.

It also emphasizes the importance of implementing monitoring and auditing activities, and the use of the company's Compliance Line, to detect and react to potential policy breaches.

## A constant effort to reinforce business ethics

2002

Techint E&C Compliance Line.

2005

Code of Conduct and Transparency Policy.

2016

Policy on Business Conduct.





Our Business Conduct Compliance Program defines initiatives aimed at ensuring adherence to anti-bribery provisions following a preventive approach.





The BCCO reports directly to the CEO and is responsible for implementing the Business Conduct Compliance Program.

# We Have an Organisation that Fosters Compliance

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Techint E&C leaders and management are committed to business integrity and play an essential role in terms of ensuring compliance with our principles and ethics. The Compliance Program establishes the structure necessary to enforce the company's policies at all levels.

The Business Conduct Compliance Officer (BCCO) reports directly to the CEO and is primarily responsible for implementing the anti-corruption compliance program. He also takes part of the Corporate Management Committee and attends managerial meetings of the company's geographic areas and corporate divisions.

The Business Conduct Compliance Direction focuses on implementing the Policy on Business Conduct, preventing and detecting any breaches of this policy.

Its activities include:

- ✓ Promulgating and communicating the Policy on Business Conduct to everyone involved, ensuring compliance.
- ✓ Establishing and overseeing training programs on the Policy as well as the rules and procedures defined for its application.
- ✓ Reviewing control standards to ensure that they are properly designed and targeted to prevent and detect misconduct, and issue the necessary complementary procedures.
- ✓ Authorizing critical transactions.
- ✓ Investigating possible violations of the Policy.
- ✓ Monitoring Policy compliance.

# Our Program in Action

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Our Business Conduct Compliance Program dictates the way to disseminate our control and monitoring culture within the proper framework to prevent and fight any potential corrupt practices and related wrongdoing.

The Program defines a set of directives, controls, communications, training activities and a variety of measures to:

1

## Prevent

- ✓ Risk Analysis
- ✓ Policies & Procedures
- ✓ Training & Communications
- ✓ Advice & Approvals

2

## Detect

- ✓ Monitoring
- ✓ Audits
- ✓ Compliance Line

3

## Remediate

- ✓ Correction of breaches
- ✓ Non-recurrence



# PREVENT

**At Techint E&C we have several ongoing activities aimed at creating and maintaining a culture of compliance.**

## Risk Analysis

The risk assessment is the base for the Business Conduct Compliance Program, and serves as a guide to identify and assess the company's risks in terms of exposure to corruption. The risk evaluation also provides guidelines to training development, the issue of normative documents and how to implement internal controls, including:

- ✓ External indicators and parameters of the degree of corruption in the various countries where the Company operates, such as the Corruption Perceptions Index and Bribe Payers Index, published by Transparency International, or the Index of Economic Freedom created by The Heritage Foundation.
- ✓ Types of activity and quantity of employees in each office or location.
- ✓ Associations, joint ventures, consortia, subcontractors, brokers, intermediates, advisors, customs agents.
- ✓ Existence and frequency of donations, representation expenses, professional fees, gifts and entertainment.
- ✓ Issues arising from Internal Audits reports.
- ✓ Assessment and analysis reviewed during meetings with Directors, etc.

**THE COMPLIANCE PROGRAM WAS DESIGNED ON THE BASIS OF A RISK ANALYSIS OF OUR OPERATIONS, ACTIVITIES AND LOCATIONS AND IS CONSTANTLY UPDATED.**



# Normative

For over a decade, Techint E&C has implemented a normative basis establishing the guidelines governing the company's relationship with employees, customers, suppliers, partners and third parties. This set of rules, in its updated version, nowadays integrates the Business Conduct Compliance Program.

## Code of Conduct

The Code of Conduct establishes the ethical principles setting the basis for the relationships between the company's employees and its customers and suppliers, and defines integrity and transparency guidelines.

The Code has been in force since 2005 and was last updated in 2016 to clarify concepts of the previous versions and to add new guidelines.

The main guidelines are:

- ✓ **Compliance with the law**  
All employees shall always abide by the law.
- ✓ **Transparent management**  
Information must be accurate and decisions transparent.
- ✓ **Accurate records and reporting**  
Books and records must reflect transactions in conformity with applicable accounting standards. All employees are responsible for the creation and maintenance of accurate records.

- ✓ **Conflict of interest disclosure, duty of loyalty and non-competition**  
Employees are expected to act fairly, loyally and honestly, always in accordance with the Company's commercial purposes and core values.

- ✓ **Gifts and entertainment**  
No employee should offer, promise, give, request or accept excessive or inappropriate gifts.

- ✓ **Use of assets**  
The Company's assets must be used with care and responsibility.

- ✓ **Information security**  
Access to information is limited to authorized personnel. Undue disclosure is forbidden.

- ✓ **Confidentiality**  
Information that must not be legally disclosed should be kept confidential.

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

- ✓ **Use of technological resources**  
Hardware and software must only be used for the Company's purposes.

- ✓ **Intellectual property rights**  
Any know-how developed in the workplace environment has copyrights which are reserved to the Company.

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

- ✓ **Bribery prohibition**  
The company will not condone, under any circumstances, the offering or receiving of bribes or any other form of improper payments to a third party.

✔ **Commercial incentives**

Commercial incentives must be adjusted to applicable laws and market practices.

✔ **Protection of competition**

Techint E&C is committed to values of fair, honest and transparent competition, prohibiting unreasonable trade restrictions and preserving competition.

✔ **Workplace environment**

Unlawful discrimination in employment relationships is prohibited.

✔ **Relations with the community**

Political dealings on behalf of the Company are restricted and relations with government officials regulated.

✔ **Respect for environmental legislation**

Techint E&C formally expresses its commitment to driving down the environmental impact of its operations through the efficient use of resources, transport planning, waste and emissions reduction and careful handling of hazardous substance.

**CODE ACCEPTANCE MUST BE SIGNED BY ALL EMPLOYEES AND INCLUDED IN CONTRACTS WITH SUPPLIERS, SUBCONTRACTORS AND OTHER THIRD PARTIES.**




The Techint E&C Code of Conduct is available on our website: [www.techint-engineering.com/en/code-conduct](http://www.techint-engineering.com/en/code-conduct).





## Policy on Business Conduct


Techint E&C has a Policy on Business Conduct that emphasizes its commitment to anti-bribery regulations in all the countries where the company operates or conducts business.

Our Policy covers the following topics:

-  **Prohibition of giving or receiving payment for improper conduct**  
No person shall propose, offer, promise, pay or deliver (or authorize any another person to do so), directly or indirectly, anything of value to any public official to induce him or her to perform any improper conduct.
-  **Prohibition of facilitating payments**  
Payments to public officials in order to expedite or secure the performance of a routine administrative activity are not permitted.
-  **Restrictions on cash payments**  
Cash payments and payments to third parties other than the party to whom the amounts are payable are prohibited.

 **Permissible expenditures**  
There are restrictions on the execution of certain payments related to third parties (travel and lodging expenses, payments to consultants or advisors, payments required by local law, charitable contributions, among others).

 **Diligence required when hiring employees or engaging third parties acting on behalf of the Company**  
Guidelines to assessing employees and representatives at the time of hiring (considering the qualifications of candidates, legitimate reasons for their selection, reputation, credentials, experience, internal approvals, acceptance of the Policy and the Code of Conduct, etc.).

 **Red flags**  
There are guidelines to help evaluate specific situations and to raise awareness about red flags identification.

Failure to comply with the Policy by employees or third parties will be reasonable grounds for dismissal or contract termination, as appropriate.

THE POLICY APPLIES TO ALL DIRECTORS OFFICERS AND EMPLOYEES, AND TO ANY PERSON OR ENTITY REPRESENTING OR ACTING ON BEHALF OF THE COMPANY IN ANY BUSINESS RELATIONSHIP INVOLVING GOVERNMENT AGENCIES, PRIVATE COMPANIES, PARTNERSHIPS OR OTHER ENTITIES.



## Specific Procedures

There are specific procedures setting rules to comply with the anti-corruption principles established in the Policy on Business Conduct.

✓ **Partnerships, Joint Ventures and Consortia**  
To ensure that business partners share and comply with Techint E&C values and anti-bribery provisions, the Company requests the acceptance of its Code of Conduct and Policy on Business Conduct and the fulfillment of an assessment process, which includes information provided by the potential partner, third parties and background information checks from other sources.

✓ **Representatives and advisors**  
Third parties engaged in connection with getting permits, licenses, authorizations, etc, from Governmental Entities are duly appraised for their integrity and transparency. The due diligence process includes acceptance of the Company's ethical and anti-corruption framework, gathering information and documentation from the third-party and from other sources, background checks and commercial references, among others.

Any red flag that arises during the evaluation shall be analyzed and resolved by the Business Conduct Compliance Officer, who shall also provide assistance, upon requirement, during the whole process.

✓ **Charitable contributions**  
Techint E&C is committed to the development of communities and contributes to the growth and improvement of the quality of life of those neighboring our projects. However, to prevent a donation from covering up an illegal payment, procedures require an ethical and integrity assessment of the donee, examining their profile, key persons, and track record. The Corporate Directors must approve contributions in all cases.

✓ **Transparency Policy Governing Relationships with Third Parties**

Published in 2005, it establishes the basic commitments that employees must make to prevent personal interests prevailing over the company's interests, setting specific rules to act in a transparent, ethical and honest way.

The Policy is comprised of:

- Conflicts of interest
- Duty of non-competition
- Gifts from third parties to employees
- Reporting violations

✓ **Gifts, courtesy meals, travel and lodging expenses**

Conditions for the acceptance and approval of reasonable and bona fide expenditures related to third parties (including maximum amounts, circumstances and reasons, frequency, number of guests, compliance with local law, records and authorizations).

**ALL COMPANY PROCEDURES ARE READILY ACCESSIBLE THROUGH THE INTRANET SITE AND COMMUNICATED TO ALL EMPLOYEES.**



## Training

The BCCO is responsible for developing training activities about the Policy on Business Conduct as well as specific sessions on the procedures in place to ensure anti-corruption controls.

All key personnel are selected on a risk-based approach considering, among others, their position and area of responsibility. They must participate in on-site training sessions regarding the Policy on Business Conduct and related anti-corruption processes and controls.

Additionally, there is an online training program which is mandatory for all white collar employees, covering the key aspects of the Policy on Business Conduct through the resolution of practical cases, ending with a final assessment test.

# Advise and Approvals

The BCCO is primarily responsible for advising on the Policy on Business Conduct, and shall authorize the following transactions:

- ✓ Hiring employees and key vendors acting on behalf of the Company who are Public Officials and have exercised some form of authority or influence over Company business.
- ✓ Agreements to be drawn up with Representatives and Permitting Assistants when red flags have been identified.
- ✓ Definitions on the level of due diligence to be applied to suppliers.
- ✓ Permissible expenditures related to Public Officials.
- ✓ Any contract that implies making payments or reimbursements to Government Consultants or Advisors.

- ✓ Cash payments (except for small, permitted duly documented payments to be made through petty cash).
- ✓ Issuance of corporate “to cash” or “bearer” checks, or issued to a third-party designated by the party entitled to payment.
- ✓ Adoption of business conduct policies, aligned with the Company’s Policy, in every joint venture, partnership, committee, or similar associations where Techint E&C participates.
- ✓ Issuance of standards, procedures and requirements for agreements with third parties.

TRANSACTIONS INVOLVING POTENTIAL BREACHES OF ANTI-CORRUPTION PRINCIPLES SHALL BE INFORMED TO THE BCCO FOR ANALYSIS AND RESOLUTION.

# Communication and Awareness Campaigns

Techint E&C is continually developing campaigns to raise awareness of the Compliance Program, highlighting the importance of transparency and integrity through a range of communication channels. These include the CEO's monthly letter to employees, Senior Management Routine Meetings, banners promoting the use of the Compliance Line and news releases about compliance topics posted on the corporate intranet site.

In addition, the BCCO addresses specific messages to selected groups of employees, when the circumstances are appropriate, including:

- ✓ **Notifications:** issuance of policies, procedures and general guidelines related to the Policy on Business Conduct.
- ✓ **News on corruption issues:** information about relevant investigation cases and penalties issued by government agencies in different jurisdictions.
- ✓ **Reminders:** new employees taking over positions of responsibility receive a reminder about their main duties regarding anti-corruption rules.
- ✓ **Instructions:** guidance and recommendations on how to deal with general/repeated situations.
- ✓ **Monitoring results:** comments and recommendations arising from monitoring activities to verify compliance with the provisions of the Policy on Business Conduct and related standards.

ALL TRAINING, COMMUNICATION AND ADVISORY EFFORTS AIM TO REACH EVERY PROJECT AND LOCATION OF THE COMPANY.



A key factor for the program's success is ensuring employees awareness and application of compliance principles in daily tasks.



# DETECT

**All Techint E&C employees should be proactive and avoid attitudes of passive tolerance regarding possible deviations, reporting any breach of our ethical standards which they may detect, whichever the situation or process.**

## Monitoring

In addition to ongoing monitoring activities undertaken by Management as part of their regular supervision and control responsibilities, the BCCO has the authority to perform separate and independent assessments.

The scope and frequency of these monitoring evaluations depend primarily on the level

of risk and the effectiveness of the manager's monitoring processes.

In addition, the Internal Audit Direction conducts audit reviews with the purpose of ensuring the proper operation of the internal controls associated with the anti-corruption compliance program.

The BCCO provides annual progress reports to the Techint E&C Internal Audit Committee concerning of the implementation and effectiveness of the anti-corruption compliance program, including indicators on training, new standards, inquiries received, authorizations granted, risks identified, etc.

## Internal Audit Direction

Techint E&C has a Corporate Audit Direction, which reports directly to the Board of Directors, ensuring the necessary independence in the performance of its task.

The scope of work of the Internal Audit Direction is to evaluate whether the organization's network of risk management, control, and governance processes, as

designed and represented by the management, are adequate and functioning effectively.

The Direction's main responsibilities are to develop and implement an annual audit plan including any risks or control concerns identified by the management and the Board of Directors, issuing periodic reports of the results of audit activities to the senior

Management, analyzing suspected fraudulent activities within the organization, and advising the Board on internal control issues.

Each year, the BCCO coordinates the annual plan regarding the Policy on Business Conduct with the Corporate Audit Department.

# Compliance Line

The Compliance Line allows employees, suppliers and third parties to report, confidentially and anonymously, any conduct contrary to the Code of Conduct and its principles, including anti-corruption issues and breaches of the Policy on Business Conduct.

The Compliance Line is managed by the Corporate Audit Direction, in accordance with the procedures specifically issued for that purpose.

Irregularities may be reported either by filling an on-line form on the internet at **[www.techint.compliance-line.com](http://www.techint.compliance-line.com)** or on the corporate intranet site, calling a toll-free number (available in 30 countries), sending an e-mail to a dedicated mailbox or directly contacting any internal auditor.

All contracts with suppliers and partners strongly emphasize the use of the Compliance line, and it is also available for vendors when registering as part of the contract bidding process. There are banners on the corporate

intranet to raise employee awareness and posters in the entrance of the main projects, construction sites and billboards of the main offices, along with references in memorabilia (such as notepads, calendars, etc.).

The Company takes the necessary measures to ensure complete confidentiality of the information received, a fair treatment for the personnel involved, as well as the right of defense of such personnel.

The Internal Audit Direction investigates all any reported violations of the Code of Conduct and the Policy on Business Conduct and resolves each case as quickly as possible. The investigations are carried out independently, results are documented in all cases and the conclusions are reported to senior Management for the appropriate remedial measures to be adopted.

**THE COMPLIANCE LINE  
ALLOWS ALL INTERESTED  
PARTIES TO REPORT  
ANY BREACH OF THE  
CODE OF CONDUCT OR  
ITS PRINCIPLES ON A  
CONFIDENTIAL BASIS.**



# REMEDIAL

## Correction of Breaches

When a violation to the ethics framework is detected, remedial measures are applied, ranging from a formal written warning to employment dismissal or contract termination. Some procedures may be modified to prevent the repetition of the situations detected.

## Prevention of Recurrence

The BCCO examines the Internal Audit Department's findings related to the Policy on Business Conduct and issues the corresponding recommendations for each case, resulting in guidelines or statements designed to prevent the repetition of such breaches.

## Audit Committee

The Company has an Audit Committee (as one of the company's non-statutory internal corporate bodies), whose basic functions are to review the findings related to weaknesses in the internal control system and follow-up these findings, identify behaviors that require attitude or management changes, and define courses of action, when appropriate.



An aerial photograph showing a large dam structure on the left side, with a reservoir behind it. The foreground features a winding road and some industrial or construction areas. The text is overlaid on the upper right portion of the image.

## **Records and documentation**

All the activities included in the Business Conduct Compliance Program are recorded and properly documented in order to support and demonstrate effective compliance.

**TECHINT**  
Engineering & Construction

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