

REGULATION VALLOUREC OPEN BRASIL 2018

CHAPTER I - THE PROGRAM

The Vallourec Open Brasil is an open innovation program that seeks startups with innovative solutions that can be used in great challenges of the Vallourec Group in Brazil. This year, the challenges are focused on the use of computer vision and are listed on the Program website www.vallourecopenbrasil.com.

The program is promoted by VALLOUREC SOLUÇÕES TUBULARES DO BRASIL S/A., a company headquartered at Distrito Industrial S/N, Jeceaba, MG - CEP 35.498-00, enrolled to CNPJ [National Registry of Legal Entities] under number 08.689.024/0002-92, hereinafter simply referred to as Vallourec, in compliance with the conditions set forth in this Regulation.

CHAPTER II – SELECTION

Startups whose technology base is located in Brazil may participate in the Program. Startup means a micro-enterprise or small business that possesses differentiated and innovative technological knowledge, but still in the stage of development of a definitive business model.

The following may not participate:

- Startups that have, among their managers, employees of any unit of Vallourec.
- Any employee of any unit of Vallourec, as well as their respective spouse, partner or direct relative, collateral or relative by affinity up to the second degree.
- A member of the Selection Commission, as well as their respective spouse, partner or direct relative, collateral or relative by affinity up to the second degree.
- Startups which are not resident in Brazil.

CHAPTER III – APPLICATION

Enrollment

Step 1

The startups shall fulfill the form available in the website www.vallourec.com/br, in the period between **June 22 and July 31**.

By the end of this step, the data enrolled will be analyzed by Vallourec. There is the possibility to request the corporate acts and complementary information. The startups without pending legal/fiscal issues, and with operation areas and business models in compliance with the challenge proposed by Vallourec will follow to the next step.

The list of the selected startups will be released on **August 08**.

Step 2

In this step, the startups selected in Step 1 shall send a *pitch* video of maximum 5 minutes in MP4 format which should contain:

- a general presentation of the company;
- a presentation of the startup team;
- a project proposal related to one or more of the challenges described on the website www.vallourecopenbrasil.com.br.

The videos shall be sent in the period between **August 08 and August 24** and shall not be larger than 2GB.

Registers made by fax, mail or directly delivered to Vallourec shall not be accepted.

Startups will be disqualified if:

- send videos that are more than 5 (five) minutes long;
- do not submit any document or information provided for in this regulation or requested by Vallourec;
- Provide incorrect or incorrect information or omit relevant data in the application.

CHAPTER IV – SELECTION CRITERIA

Selection of the startups for the immersion step

The videos and the enrollment data shall be assessed by a committee consisting of professionals from Vallourec for the selection, according to the following criteria:

- Adequacy of the project to Vallourec's activities and to the proposed subject;
- Technical qualification for the project development;
- Innovation: capacity to create solutions different from the conventional ones;
- Clear presentation of the idea;
- Résumé of the members of the startups (Lattus platform curriculum and/or LinkedIn CV)

At most 10 startups will be selected for the Immersion step. The result of the selection will be released on the website on **August 31**.

The selected startups shall sign a Non-Disclosure Agreement with Vallourec to ensure the secrecy of the exchange of information between the companies.

Each selected startup will receive, on August 31st, a model of work proposal to be developed during the Immersion stage. In this model, requirements will be foreseen to allow the startup to be evaluated for its financial, technological, delivery capacity and business model maturity.

Immersion

The main objective of the immersion is to provide the startups access to information related to the business and to the processes of Vallourec, required to build their work proposal.

This step will last seven (7) work days. During this period, each startup shall prepare a work proposal jointly with Vallourec.

Each startup is responsible for providing the required resources for the proposal preparation.

During the immersion, it will be carried out an activity, coordinated by the Human Resources area of Vallourec, to evaluate the startup profile.

All activities correspondent to the Immersion step shall be coordinated by Vallourec and shall occur at Vallourec, located at Av. Olinto Meireles, 65 – Bairro das Indústrias I, Belo Horizonte, MG, CEP 30640-010.

After the immersion step, Vallourec will reimburse until one thousand two hundred Brazilian Reais (BRL 1,200.00) for proven food and lodging expenses to each startup who participate in this step. Vallourec will also pay for the costs of air tickets or bus tickets for up to two people of the startups headquartered out of the city of Belo Horizonte or metropolitan region.

For the reimbursement of expenses, bank details of the startups participating in the immersion stage will be requested.

The immersion stage will begin on September 24 and end on October 2, 2018. Each startup should submit the duly completed proposal template and the presentation to be held on Pitch Day on October 2, 2018. Both documents should be sent to the e-mail:

vallourecopenbrasil@vallourec.com.

Pitch Day

In this step, each startup shall present a work proposal prepared during the Immersion to an examining committee consisting of Vallourec representatives.

The presentation shall be made preferably in English, considering that the foreign managers of Vallourec will participate in the examining committee.

From the presentations, until two companies can be selected for the Development step. The following criteria will be considered for the selection:

- Benefits to Vallourec;
- Required resources for the execution of the project;
- Time for the execution of the project, limited to 6 months;
- Easy execution.
- Startup delivery capability.

The *Pitch Day* shall take place on **October 03** at Vallourec Barreiro, located in Av. Olinto Meireles, 65 - Das Indústrias I, Belo Horizonte, MG, CEP 30640-010.

The list of the selected startups will be disclosure at the end of the event.

Development

This step starts with the contracting of the startups by Vallourec, for the execution of the proposals selected on the *Pitch Day*. The contracting process shall start on **October 4, 2018**.

After hiring the execution of the project proposed by the startup with the supervision of Vallourec professionals will be started after the contracting process.

Program closing workshop

This step consists of the presentation of the projects that were approved in the development step to managers of Vallourec group, thus marking the closing of the program.

Schedule

Enrollment:

Step 1: from June 22 to July 31 of 2018.

Disclosure of the startups selected for step 2: August 08

Step 2: from August 08 to August 24.

Disclosure of the startups selected for the immersion step: August 31, 2018

Immersion: from September 24 to October 02, 2018

Pitch Day: October 03, 2018

Development: start on October 04, 2018

Program closing workshop: 2019

CHAPTER V - OBLIGATIONS AND RESPONSIBILITIES

The following are the obligations of startups participating in the Program:

- (i) Comply with all provisions of this Regulation.
- (ii) Participate in the actions envisaged in each phase of the Program, as well as provide all the information and documents required and / or required in these Regulation.
- (iii) The startup, upon enrollment in the Program, declares that it does not use and does not directly or indirectly own slave labor, in degrading conditions, workers subjected to or forced to illegal conditions, nor allow any type of discrimination, under penalty of immediate elimination without prior notification.

(iv) Startup undertakes to observe and comply with the compliance rules set forth in the Brazilian legal system, especially that which deals with the determination and punishment of corruptive practices, notably, but not limited to, Law 12.846 of August 1, 2013 and Decree 8,420 of March 18, 2015, so that its non-compliance will also cause immediate elimination of the program.

(v) Vallourec is aware that Vallourec has a legal, ethical and moral commitment and expects the same from its employees, suppliers, representatives or any companies or individuals with which they do or intend to do business with Vallourec, startup participant declares that it will observe and require its employees and / or employees to comply with Vallourec's Code of Ethics, available at:

<http://www.vallourec.com/COUNTRIES/BRAZIL/PT/AboutUs/Paginas/Code-of-ethics.aspx>

CHAPTER VI - TERMINATION OF THE VALLOUREC OPEN BRAZIL PROGRAM

Vallourec's relationship with startups will be deemed terminated, without the need for prior notification, in the following cases:

- Elimination by judging committees;
- End of the duration of the Program;
- In case of fraud, attempts to circumvent this Regulation, or any action that violates the rules described herein;
- If the insolvency, bankruptcy or judicial reorganization of the startup is verified;
- If temporary activity assignment of startup is verified;
- At the initiative of the startup, duly justified;
- At the initiative of Vallourec, duly justified.

In case of termination of the relationship, regardless of the motivation, the participating startup will not be entitled to any kind of compensation.

Startup attendance is mandatory at all stages of this Regulation. Non-attendance in one of the stages will result in the Program being disqualified.

The Program and the conditions of these Regulations may be changed, suspended or canceled, at any time and for any reason, without burden to Vallourec, in which case Vallourec will communicate the participants through the website www.vallourecopenbrasil.com.br.

CHAPTER VII - GENERAL PROVISIONS

It is hereby established that:

(i) Participation and / or selection in the Program does not constitute any kind of operating agreement, joint venture or association between the participating startup (selected or not) and Vallourec.

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(iii) The participation in the program and eventual signing of a contract with Vallourec does not generate any kind of employment relationship between the parties.

Any project of improper content, containing words of low slang or offensive to morality and good customs, of illegal, harmful, threatening, threatening, offensive, libelous, defamatory, disrespectful, unfounded, discriminatory, criminal content that no longer meet criteria of veracity and / or that do not conform to the conditions described in these Regulations, will automatically lead to the disqualification of the startup, including projects that may be interpreted as a copy or a total or partial reproduction of works by third parties, or that in any way raise doubts its authorship.

It will also be disqualified the startup whose project makes electoral propaganda or divulge favorable opinion to any party or candidate; endanger the health and safety of persons; breach of public order, morality and / or any rule of law; contain data (messages, information, images) subliminal or that constitute or may constitute a crime (or criminal contravention), or that may be understood as incitement to commit crimes (or criminal contravention); violate any law; violate the intellectual property rights of any third party, especially copyrights, trademarks and personality.

The decisions of the judging committee that select the startups for the next phases of the Program cannot be appealed.

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Any intellectual property issues that arise during the Program will be dealt with promptly during the immersion stage and / or future stages.

All numbers, statistics and any information used should have their source mentioned clearly in the participating startups. Works that have been consulted and mentioned, as well as their accuracy and adequacy, are the sole responsibility of the participating startup.

Vallourec, as well as its respective parent companies, affiliates and subsidiaries, can not be held liable for the content of the forms, projects and documents to be filled in by the participating startup.

Vallourec will be exempt from liability in case of technical problems of any nature that may occur in the processing of forms, any presentations, sending of any e-mail or communication, or information for participation in the Program.

The startup, at the time of its registration, accepts all the provisions set forth in these Regulations, declaring that it has READ, UNDERSTOOD, HAS TOTAL SCIENCE AND ACCEPT, unrestricted and totally, all the items herein provided, as well as waiving any questioning about the criteria of judgments adopted during the course of the Program.

Any doubts, differences or situations not provided for in this Regulation will be assessed and settled by Vallourec, who will decide, as the case may be, in a sovereign and unappealable manner.