

Information on the financial conditions relating to the departure of Mr Jean-Pierre Michel

Boulogne-Billancourt, 24 February 2017 – In accordance with the recommendations of the Afep-Medef Corporate Governance Code, Vallourec is disclosing today information pertaining to the conditions relating to the departure of Mr Jean-Pierre Michel, member of the Management Board and Chief Executive, who will be leaving the Management Board on 31 March 2017 and retiring at the end of 2017 after having contributed along the year in the Executive Committee with the effective implementation of the Group's new organisation, as announced on 18 January 2017.

Mr Jean-Pierre Michel will receive, with respect to the current financial year and until 31 March 2017, date of his term of office as a Management Board member:

- a fixed monetary compensation prorated based on his annual compensation of 450,000 Euros, unchanged since 2012;
- a variable monetary compensation, calculated on a prorated basis, that may vary from 0 to 75% of his fixed portion to the target (337,500 Euros) and reach 100% if maximum objectives are achieved (450,000 Euros). The 2017 variable portion is contingent on the achievement of several specific and predetermined quantifiable and qualitative objectives whose minimum, target and maximum thresholds were set by the Supervisory Board, after an in-depth review conducted by the Nomination, Remuneration and Governance Committee, and are the same for all of the Management Board's members;
- Mr Jean-Pierre Michel shall receive no monetary termination benefits for his term of office as a Management Board member;
- Mr Jean-Pierre Michel shall be under no obligation linked to his term of office as a Management Board member justifying the payment of a non-competition compensation;
- Mr Jean-Pierre Michel is eligible for a defined benefit supplementary pension scheme approved by the General Meeting on 1 June 2006 and closed to any new rights as of 31 December 2015. In this capacity, upon liquidation of his social security pension, he may receive an annual annuity equalling 19.29% of his fixed compensation as of 31 December 2015, which amounts to €86,805;
- Mr Jean-Pierre Michel is eligible for the following two defined contribution supplementary pension schemes approved at the April 2016 General Meeting:
 - o Collective pension scheme (Article 83), the contribution of which amounts to €12,357.12 for 2016;
 - o Individual pension scheme (Article 82), the contribution of which amounts to €8,000 for 2016.

Mr Jean-Pierre Michel's employment contract with Vallourec Tubes, suspended for the duration of his tenure, will be reinstated on 1 April 2017 and remain in effect until his retirement date of 31 December 2017. On that date, based on his seniority in the Group (39 years), Mr Jean-Pierre Michel will, pursuant to the Collective Agreement, like any employee covered by this agreement, be entitled to a retirement allowance equalling 5 months of pay, for a total of €306,506.

In accordance with the provisions of the plans for retirement-related cases, the number of non-vested options and the number of non-vested performance shares to which Jean-Pierre Michel will retain entitlement will be prorated based on the number of attendance days between the grant date and the retirement date, rounded down to the next number. The performance conditions will be applied.

About Vallourec

Vallourec is a world leader in premium tubular solutions for the energy markets and for demanding industrial applications such as oil & gas wells in harsh environments, new generation power plants, challenging architectural projects, and high-performance mechanical equipment. Vallourec's pioneering spirit and cutting-edge R&D open new technological frontiers. Operating in more than 20 countries, its 20,000 dedicated and passionate people work hand-in-hand with their customers to offer more than just tubes: they deliver innovative, safe, competitive and smart tubular solutions, to make every project possible.

Listed on Euronext in Paris (ISIN code: FR0000120354, Ticker VK) and eligible for the Deferred Settlement System (SRD), Vallourec is included in the following indices: SBF 120 and Next 150.

In the United States, Vallourec has established a sponsored Level 1 American Depositary Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). Parity between ADR and a Vallourec ordinary share has been set at 5:1.

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