

Code of Conduct

Guidelines and Standards of Integrity
and Transparency



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Dear Colleague:

We have updated our Code in order to reflect the best practices regarding ethics, compliance with the law and transparency. This update reinforces very relevant issues for the times we are living in, such as the need to protect personal data, promote economic competition against unfair practices and guarantee that our operations are totally free of situations of harassment, child labor or exploitation in any of its versions.

This Code of Conduct applies to Tecpetrol International S.A. and its directly or indirectly controlled subsidiaries.

Tecpetrol expands the frontiers of its business, facing new complex realities and challenges and it is important that our organization responds effectively and in accordance with its fundamental management values.

Our company is committed to building a corporate culture of transparency and integrity based on ethical behavior and compliance with 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.

I count on each of you to proactively join our drive to promote best practices throughout our operations and reinforce the sustainability of our company.

Montevideo, 2018.



Carlos Ormachea
President

1. Introduction

This Code of Conduct applies to Tecpetrol’s employees, officers, directors, contractors, subcontractors, commercial intermediaries, suppliers, and anyone who performs services for or on behalf of Tecpetrol International S.A. and its subsidiaries (herein after referred indistinctly as “Tecpetrol”) who might be capable of engaging in unethical behavior on Tecpetrol’s behalf.

This Code of Conduct defines guidelines and standards of integrity and transparency, which must be complied with by all employees, officers and directors at all levels within Tecpetrol. Neither this nor any other Code of Conduct can address every situation or be a substitute for applying common sense and good judgment. When in doubt, seek advice from your direct supervisor, the relevant Director, Internal Audit Department, the Legal Services 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 Tecpetrol has with contractors, subcontractors, suppliers, associated persons, such as commercial intermediaries, non-commercial representatives, consultants, or anyone who performs services for or on behalf of Tecpetrol, whether paid or unpaid, all of whom might be capable of engaging in unethical behavior on Tecpetrol’s behalf.

Every joint venture, company, consortium or similar association controlled by Tecpetrol must adopt this Code and the Policy on Business Conduct. Tecpetrol will encourage those legal entities where it participates but does not exercise control, to implement the principles and requirements of this Code and the Policy on Business Conduct.

Within the labor relationship established by each Tecpetrol’s subsidiary, all employees must abide by the applicable laws, the external and internal regulations, the provisions of this Code and any applicable internal policies and procedures, with a personal commitment to honesty, loyalty to Tecpetrol and transparency in all work-related actions.

Tecpetrol's employees are all expected to: (1) learn about and comply with the laws, regulations and Tecpetrol's policies and procedures 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 violations to their direct supervisor, relevant Director, the Internal Audit Department, the Legal Services Department, or contact the Compliance Line and, with respect to the matters covered by the Policy on Business Conduct, the BCCO; (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 Tecpetrol's internal policies and procedures?**
- **Does the proposed action comply with the letter and spirit of the Code of Conduct?**
- **Can the decision be justified and perceived as the most appropriate course of action?**
- **Could the proposed action, if made public, compromise Tecpetrol or be harmful to its reputation or its standing in the community?**

2. Implementation of this Code of Conduct

The Code is applied by officers, directors and managers, the Internal Audit Department and the President of Tecpetrol.

The President of Tecpetrol will be the top-level decision making for the implementation of this Code of Conduct by Tecpetrol.

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

Tecpetrol's Human Resources Department shall implement the procedures in order to ensure full acknowledgement of this Code.

Tecpetrol's management shall take the necessary measures to ensure that all Tecpetrol's employees, and all suppliers, subcontractors, commercial and non commercial representatives, consultants and anyone who performs services for or on behalf of Tecpetrol know and understand the provisions of this Code and understand how it will apply in their workplace environment.

Tecpetrol's management in consultation and with the assistance of the Internal Audit Department, Legal Services and the BCCO with respect to the matters covered by the Policy on Business Conduct, will ensure that training on the Code and on Tecpetrol's policies and procedures is provided to all Tecpetrol employees.

Tecpetrol's employees requiring further information than that provided by their supervisors may contact the Internal Audit Department by e-mail at auditoria_responde@tecpetrol.com.

3. Compliance

The provisions of this Code prevail over obedience to higher-ranking officials.

Adherence to the provisions of this Code is a condition for employment in Tecpetrol.

Compliance with this Code of Conduct shall be the exclusive and personal responsibility of every employee. In the event of any violation, employees may not plead ignorance or obedience to higher ranking officials.

Employees must adopt a proactive attitude, that prevents a passive tolerance of possible deviations, and comply with the requirements of Section 4, whenever they have knowledge of any incidents of non-compliance.

Every employee should cooperate with internal investigations when required.

Supervisors shall not approve or tolerate violations to this Code, and should report immediately any possible such situations.

Depending on the seriousness of the violation, disciplinary sanctions may lead to dismissal and to other suitable legal actions promoted even after dismissal.

4. Reporting Violations

Tecpetrol provides a Compliance Line to report, on a confidential basis, any conduct contrary to its provisions and principles. The right of defense of the staff involved is respected.

Tecpetrol established a Compliance Line and encourages its use for any questions, requests for guidance or reports of conduct contrary to this Code.

The Compliance Line will operate according to the procedures designed by the Internal Audit Department, which shall prevent any punitive or retaliation against persons who report possible violations.

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

Tecpetrol's management will take the necessary measures to ensure complete confidentiality of the information received, a fair treatment for the personnel presumably involved in violations of the Code, and the right of defense of any such personnel.

5.1. Compliance with the Law

Employees must comply with applicable laws.

All employees shall abide in all cases by the laws to which Tecpetrol is subject, including the laws in force in the different countries in which Tecpetrol has operations or dealings. Employees should be aware that, because of Tecpetrol's global operations, inappropriate conduct in one country can subject Tecpetrol 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 Tecpetrol to legal liability in any country, employees should immediately present the issue to their direct supervisor, the appropriate Director, the Internal Audit Department or the Legal Services and/or the BCCO in relation to the subject matter of the Policy on Business Conduct.

From time to time, Tecpetrol issues policies, regulations and guidelines to better achieve its business purposes, follow best practices and comply with regulations imposed by the various jurisdictions in which it conducts business. While Tecpetrol always strives to effectively communicate such policies, regulations and guidelines, employees are also expected to determine which ones are applicable to them. Employees can consult Tecpetrol's Intranet or the Legal Services for assistance in this regard.

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 as set forth in the applicable policy or procedure.**
- **It is based on a reasonable analysis of the risks involved.**
- **It leaves records of its rationale.**
- **It places the best interests of Tecpetrol ahead of personal interests.**

5.3. Duty of Loyalty. Conflict of Interest

Conflicts of interest must be disclosed.

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

In their relationship with customers, suppliers, subcontractors, commercial and non commercial intermediaries, and competitors, employees must prioritize the interests of Tecpetrol over any situation that may lead to a real or potential personal benefit, for themselves or any of their relatives, closely related persons or associates.

A real or potential conflict of interest exists when a relationship between the employee and a third party might affect the interests of Tecpetrol.

Conflicts of interest involving Tecpetrol personnel must be fully disclosed in writing as required by ad hoc Tecpetrol's regulations. This disclosure must be made in accordance with internal policies and procedures or when Tecpetrol might consider it appropriate.

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

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 Tecpetrol employee, nor any person who performs services for or on behalf of Tecpetrol, should offer, promise, give, request, agree to receive or accept excessive or inappropriate invitations, gifts, meals or entertainment that could create or imply improper influence or obligate any recipient.

Tecpetrol's 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.

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

No meals, gifts, travel or entertainment may be promised, given to, paid for, or accepted, directly or indirectly, without complying with the rules set out in the Policy on Business Conduct and related procedures, which prescribe the procedures that Tecpetrol has implemented to ensure adherence to these principles of the Code. If employees have any questions regarding those rules, they should always consult the BCCO.

5.5. Use of Assets

Tecpetrol's assets must be used with care and responsibly.

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

Every employee has a responsibility to protect Tecpetrol's 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 Tecpetrol's Information

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

Only duly authorized persons, and subject to any restrictions imposed by applicable law, may have access to Tecpetrol's internal physical, magnetic, electronic or optical information, and it 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 Tecpetrol's information from damage or loss and to ensure its safe custody for the period established in the internal regulations.

5.7. Confidentiality of Tecpetrol's Information

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

Tecpetrol's employees must keep confidential all the information to which they have access in the performance of their work for Tecpetrol, even if such information is not classified or is not specifically about Tecpetrol (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, surveys, seismic activities, geophysics, geochemistry, production, marketing and business plans, financial data, technical product, merger or acquisition activities, senior management changes, employee compensation, trade secrets, current and future products or services, research and development activities, inventions, potential contracts, market research, not-yet-released financial results, financial projections, organizational charts and information stored in Tecpetrol's data storage systems, or a range of other information.

Tecpetrol's confidential information should never be shared with any person who does not need to know such information to perform its work or a service for Tecpetrol. As a general rule, confidential information can only be shared with authorized parties. Even within Tecpetrol, 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 Tecpetrol's information or property. Confidential information of others with whom Tecpetrol does business or interacts with must also be respected.

In case of doubt, all information should be presumed confidential and treated carefully. Tecpetrol's 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 Tecpetrol.

Non-disclosure shall be maintained, in line with applicable laws, internal regulations and contractual arrangements, or otherwise until the corresponding information is made public. The obligation to protect confidential information continues for the employee even after the employment relationships ends.

Non-compliance with the obligation of confidentiality will be considered a serious violation of this Code.

5.8. Data Privacy

Tecpetrol respects the privacy of its employees and those third parties with which Tecpetrol conducts its business.

Therefore, Tecpetrol requires, obtains and uses personal information only to the extent necessary for the effective management of its business operations and in strict compliance with applicable data privacy laws and regulations. In addition, Tecpetrol requests its employees to always protect and keep private their own personal information and the personal information of other employees and third parties

The above requirements and commitment do not limit in any way Tecpetrol's authority to investigate wrongdoings by employees and third parties, and particularly the authority reserved in Section 5.10 of this Code.

5.9. Insider Trading

Insider trading and information tipping are strictly forbidden.

No employee may purchase, sell or otherwise trade in securities of Tecpetrol, or any company that trades with Tecpetrol, while in possession of material non public information.

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

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

Employees investing in stocks must know the regulations restricting their capacity to negotiate securities.

Any questions on these issues should be raised with such employees' direct supervisor, Tecpetrol Legal Services, and/or the Internal Audit Department.

5.10. 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 Tecpetrol's equipment, systems and technological devices for purposes other than those authorized by Tecpetrol.

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 Tecpetrol'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 Tecpetrol's responsibility or subject Tecpetrol to liability to any third party or governmental authority.

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

Tecpetrol through the Internal Audit Department has 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 Tecpetrol's information technology resources.

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

Conversely, Tecpetrol 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 Tecpetrol's computers.

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

5.11. Intellectual Property Rights

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

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

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

5.12. Internal Control Environment

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

Tecpetrol encourages, 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 the efficiency of Tecpetrol's activities and to ensure that Tecpetrol's business is conducted in a way that is consistent with Tecpetrol's policies and procedures, applicable laws and applicable established best practices.

Internal controls are all those necessary or useful tools for addressing, managing and checking activities in Tecpetrol. They aim at ensuring respect of this Code and Tecpetrol's policies and procedures. These controls aim at protecting corporate assets, efficiently managing operations, providing precise and complete accounting information and preventing 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 established controls and for identifying and addressing any perceived weaknesses or failures in the proper functioning of internal controls.

5.13. Accurate Records and Reporting

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

It is Tecpetrol's policy that: (1) Tecpetrol's 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 Tecpetrol's 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 Tecpetrol.

5.14. Fair, Honest and Transparent Competition

Tecpetrol is committed to the values of fair, honest and transparent competition.

Competition and antitrust laws around the world, many of which are applicable to Tecpetrol, 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 dominant position. The penalties for breaching competition and antitrust laws are severe. In addition to material fines and other penalties, individuals found guilty of the most serious offences can face imprisonment.

Tecpetrol strives to strictly observe the competition and antitrust laws of all countries in which it does business.

5.15. Commercial Incentives and Bribery Prohibition

Commercial incentives must be consistent with applicable laws and market practices and must be approved in accordance with Tecpetrol's procedures.

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

Even if it complies with the above-mentioned requirements, any commercial incentive must be in line with market practices, at authorized values, following applicable policies and procedures adopted by Tecpetrol and registered according to the internal rules.

Employees should not give anything of value, for example, money, gifts, travel expenses, entertainment or any other advantage to anyone, that is or could be construed as (1) intending to influence the decision of government officials or political representatives (2) intending to improperly influence any person in the performance of a relevant function or activity, or (3) a violation of any applicable laws or regulations. Tecpetrol will not allow the use of representatives, intermediaries, agents, subsidiaries or joint venture companies to give, or promise to give anything of value to anyone on behalf of Tecpetrol to circumvent this prohibition.

While this prohibition applies to any third party, Tecpetrol's employees should exercise particular care in dealings with government officials to ensure there can be no suggestion of impropriety. Government officials 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, for example, State-owned oil companies).

No commissions, fees, compensations, contracts, meals, gifts, travel or entertainment may be given to, or paid for on behalf of a government employee or official, or private person, directly or indirectly, without complying with the rules set out in the Policy on Business Conduct and related procedures.

Bribery is Strictly Prohibited.

As set forth in the Policy on Business Conduct, Tecpetrol will not allow, under any circumstances, the offering or receiving of bribes or any other form of improper payments.

While most countries have laws which make it illegal to engage in bribery, some of these laws criminalize not only bribery acts committed within the country's territory but also acts of bribery taking place abroad.

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

5.16. Workplace Environment

Promote a healthy and safe workplace environment. Prohibits unlawful discrimination and harassment in employment relationships.

Tecpetrol is particularly respectful of the laws governing human rights and labor.

All persons have the right to apply for a position in Tecpetrol 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.

Tecpetrol will not tolerate any form of abuse, harassment, coercion or bullying whether sexual, physical, psychological or otherwise.

Tecpetrol supports the elimination of all forms of discrimination, illegal, forced or compulsory labor, slavery or servitude, in particular child labor. Discrimination, illegal, forced or compulsory labor, slavery or servitude at Tecpetrol's suppliers, and contractors and associated persons will not be tolerated.

5.17. Relations with the Community

Political dealings on behalf of Tecpetrol are restricted, and relations with government officials are regulated.

On behalf of Tecpetrol, 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 contribution (including charitable and political) made in any country shall comply with the policies and procedures set forth in Tecpetrol's Policy on Business Conduct.

All employees of Tecpetrol must respect the laws and regulations regarding relations with government officials, and should at all times act in accordance with Sections 5.4 and 5.15 of this Code when dealing with such persons.

5.18. Environment

Tecpetrol promotes the protection of the environment.

Tecpetrol aims to achieve continuous improvement in environmental performance, concentrating its efforts on areas of greatest impact at company operational, distribution and large office sites. Tecpetrol seeks to comply and expects all employees to comply with the spirit as well as the letter of applicable environmental laws and regulations. Where none exists, employees must set themselves appropriately high standards.

Tecpetrol is committed and expects all employees to be committed to driving down the environmental impact of Tecpetrol's operations through the efficient use of resources, transport planning, the reduction of waste and emissions and the careful handling of hazardous substances.

Tecpetrol's environmental standards apply to all locations and aspects of company business.

6. Validity

This Code of Conduct is effective as of June 01, 2018. Tecpetrol Legal Services may postpone or suspend its effectiveness in those jurisdictions where adoption and enforcement of this Code requires approval by a competent governmental authority or prior compliance with special corporate governance procedures by any Tecpetrol International S.A. subsidiary.

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

Para mayor información:

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