

**UNITED PIPE & STEEL CORPORATION
ANTICORRUPTION POLICY
THIS POLICY HAS BEEN APPROVED
BY UNITED PIPE & STEEL CORPORATION
AND IS APPLICABLE TO ALL DIRECTORS, OFFICERS, EMPLOYEES,
ADVISORS AND CONSULTANTS OF THE COMPANY**

United Pipe & Steel, Inc. (the “Company”) has adopted the following policy to ensure compliance by the Company’s directors, officers, and employees with the Foreign Corrupt Practices Act of 1977, as amended (“FCPA”). For purposes of this policy, advisors and consultants are included within the term “employee” and the Company’s subsidiaries, branch offices, and joint ventures in which the Company holds a majority of controlling interest, are included within the term “Company.”

Every Company employee whose duties include international business activities is required to read and comply with this Anticorruption Policy.

Policy Summary

The FCPA makes it a civil and criminal offense to directly or indirectly pay, offer, or give “anything of value” to a “foreign official” for the purpose of influencing the decisions of the official. Payments or gifts provided indirectly through a third party (such as agents, representatives, brokers, or consultants) to foreign officials are also prohibited. This is true regardless of the fact that giving things of value may be a widely accepted practice in the country in question. The FCPA also requires the Company to maintain books and records that accurately and fairly reflect all its business transactions.

Anti-Bribery Provisions of the FCPA

All employees are strictly prohibited from offering, paying, promising to pay, or authorizing the payment of money or “anything of value,” directly or indirectly, to any “foreign official” in order to influence any act or decision of such official, to induce such official to use his or her influence, or to assist the Company in obtaining or retaining any improper business advantage.

The use of the phrase “anything of value means that the FCPA forbids not only money bribes (when one party gives or offers another party, either directly or through an intermediary, any monetary reward, advantage, or benefit of any kind, in order to influence the making or implementation of a decision or act by the recipient) but also such things as:

- Stock
- Excessive or lavish meals and entertainment
- Gifts
- Discounts on products and services not readily available to the public
- School tuition
- Offers of employment
- Assumption or forgiveness of debt
- Payment of excessive or lavish travel expenses
- Personal favors

The Phrase “foreign official,” as used in the FCPA includes:

- Any officer or employee of a foreign government or any department, agency, or instrumentality of a foreign government;
- Any officer or employee of a public international organization such as the World Bank or United Nations;
- Foreign political parties and their officials as well as candidates for foreign political office;
- Any person acting in an official capacity for any foreign government agency, department or instrumentality, or for a public international organization;
- Any entity hired to review business or bids on behalf of a government agency;
- Officers and employees of foreign state-owned companies, including private employees of government-owned or government-controlled businesses such as hospitals;
- Uncompensated honorary officials can influence the awarding of business; and
- Members of royal families who have proprietary or managerial interests in industries and companies owned or controlled by the government.

The FCPA also prohibits bribes to the children, spouse, or other relatives of a “foreign official.”

Permissible Payments and Expenditures Related to Foreign Officials

Certain types of “promotional or marketing” expenses made on behalf of foreign officials are allowable under the FCPA where such expenses are reasonable, bona fide expenses directly related to either (a) the promotion, demonstration, or explanation of the Company’s products or services, or (b) the execution of a contract with a foreign government or governmental agency.

The FCPA also permits “facilitating payments” to expedite or secure the performance of a routine governmental action, as described below.

Gifts to Foreign Officials

Giving a gift to a foreign official could be construed as bribery in violation of anticorruption laws even though gift-giving may be customary in the local business culture. Therefore, gifts and promotional items offered or given to foreign officials are subject to the following requirements:

- Must not include cash or a cash equivalent, including gift certificates;
- Must be in accordance with local law where the gift is given;
- Must be small in value (not exceeding approximately \$50 US Dollars);
- Must not be offered or given to the same individual more than three times during any twelve-month period;
- Must be customary, in type and value, in the host country and made at an appropriate time or season and in appropriate circumstances;
- Must not be made with the intention of directly or indirectly influencing a foreign official in order to obtain any business advantage for the Company;
- Must not be given to the children, spouse, or other relatives of a foreign official;
- Must be made openly, rather than secretly; and
- Must be properly and transparently recorded and adequately documented in the Company’s books and records.

Travel and Entertainment expenses Paid on Behalf of Foreign Officials

Permissible expenditures can include reasonable travel, lodging, entertainment, and dining expenses. The following requirements and guidelines must be observed with respect to travel and lodging expenses incurred on behalf of foreign officials:

- Travel must have an actual business purpose,
- Expenditures must be reasonable, not lavish or excessive, and consistent with local law and custom;
- Travel must be of the same or lesser class of travel that would be permitted for employees of the Company;
- Expenditures for spouses or other family members of a foreign official are prohibited;
- Cash “per diems” or daily allowances are prohibited;

- Unfettered spending (such as unlimited bar tabs or unlimited room service charges) is prohibited;
- All expenses must be supported by receipts;
- Where feasible, expenses should be prepaid directly to vendors providing transportation and lodging (i.e., airlines and hotels);
- Where feasible, any necessary reimbursements should be paid to a government agency or organization instead of the foreign official personally; and
- Expenditures must be properly and transparently recorded and adequately documented in the Company's books and records.

The following requirements and guidelines must be observed with respect to meal and entertainment expenses incurred on behalf of a foreign official:

- Expenditures must be reasonable, not lavish or excessive, and consistent with local law and custom;
- Where feasible, a representative of the Company should be present at the meal or entertainment event;
- Expenditures must be accurately reflected on the company's books and records.

Moreover, consider whether the proposed recipient is in a position to decide or influence a pending or forthcoming issue relating to the Company's business. If that is the case, meal and entertainment expenses on behalf of that individual should be avoided to the extent of practicable.

Facilitating Payments

Certain payments, referred to as "facilitating payments," are permissible under the FCPA. Facilitating payments are small payments made to a low-level foreign official to expedite or secure the performance of a routine governmental action ordinarily and commonly performed by the foreign official, such as visa processing or mail delivery. Facilitating payments may be made only if:

- The payment is small
- The payment has been approved in advance by the Legal Department;
- The assistance requested and for which the payment is legally required to provide, and the payment is only to facilitate such action;
- Such payment is legal and customary in the foreign country in question;
- No reasonable alternative to making the payment exists;

- The duties of the person receiving the payment are essentially ministerial or clerical; and
- The payment is accurately recorded on the Company's books and records.

Charitable Contributions

All employees must obtain prior written approval from the Legal department before making any charitable or political contributions outside the United States on behalf of the Company or any of its affiliates.

Due Diligence and Monitoring of Agents and Other Third-Party Representatives

The Company is responsible for payments provided to foreign officials by those acting on its behalf including agents, contractors, consultants, lobbyists, brokers, and business partners. This means that Company employees must exercise great care in hiring and monitoring third parties that deal with government officials on behalf of the Company.

The existence of one or more of the following facts may indicate that a third party representative is making improper payments to a foreign official:

- The third party has connections in an industry that is known to be associated with corruption;
- The third party refuses to certify compliance with anticorruption laws or to complete requisite questionnaires or other paperwork;
- The third party has close family or business ties to a foreign official;
- A foreign official recommended the third party to the Company
- The third party relies excessively on connections to obtain business and lacks adequate capability in terms of staff or facilities to perform the services;
- The third party requests cash payment or payment in a third country;
- The third party requests anonymity or a lack of transparency;
- The third party requests a payment or commission substantially above the going rate.

Where one or more of these facts are observed, further inquiries must be made to determine whether there is cause to suspect an FCPA violation.

Prior to entertaining into an agreement with any agent, consultant, broker, or other third party who will interact on behalf of the company with foreign officials, the Company should conduct FCPA-related due diligence on the third party, obtain from the third party assurances of compliance, and obtain prior write approval from the Legal Department. All contracts with

third parties who will interact on such third parties are aware of the terms of the FCPA, that they are not owned by or otherwise employ government officials, that they will comply with the FCPA, and that with respect to their obligations under the contract, they will not cause the Company to be in violation of the FCPA.

Examples of Appropriate Third Party Due Diligence

Prior to hiring a third party, steps should be taken to inquire whether the third party has connections with foreign officials or whether other FCPA issues may exist. Due diligence includes reasonable inquiries and documentation of responses concerning the following, as appropriate:

- The third party's business experience and qualifications;
- The third party's owners, officers, and directors;
- The third party's reputation with in the industry;
- How and why the third party was chosen to provide services to the Company;
- The third party's business, banking and/or credit references;
- Whether the third party is seeking reasonable compensation;
- Whether the third party has been involved in any prior criminal investigations or litigation;
- Whether any government officials are affiliated with or have an ownership interest in the third party; and
- Whether any individuals at the third party have a business or familial relationship with a government or government official.

Finally, after engagement of a third party, the Company and it's employees should actively monitor the third party. Any employee who becomes aware of apparent FCPA violations must notify the Legal Department immediately.

Recordkeeping Provisions of the FCPA

The record keeping provisions of the FCPA require the Company to keep detailed and accurate books, records, and accounts about all of its business transactions, including payments to foreign government officials. Any payments to foreign agents or officials must be properly identified and accurately recorded.

Personal Responsibility; Assistance

Each employee should remember that the ultimate responsibility for adhering to this policy and avoiding a violation of the FCPA rests with the employee. In this regard, it is important that each employee use his or her best judgment. As discussed above, any employee who becomes aware of apparent FCPA violations must notify the Legal Department immediately. If an employee violates this policy, the Company may take disciplinary action, up to and including termination.

Any person who has any questions about the application of this policy to any particular situation may obtain additional guidance from the President & CEO or Human Resources.

Penalties

This policy is designed to promote compliance with the FCPA and related anticorruption laws and to protect the Company and its employees from the very serious liabilities and penalties that can result from violations of these laws. Penalties for violating the FCPA's anti-bribery provisions can be severe. Corporations are subject to criminal fines of up to \$2,000,000 and civil fines up to \$10,000 per violation or, alternatively, double the gross gain or loss from the unlawful activity. Similarly, individuals are subject to criminal fines up to \$250,000, imprisonment for up to five (5) years, or both. Individuals are also subject to civil fines up to \$10,000. Violations of the FCPA's recordkeeping provisions also carry severe penalties of up to \$500,000. Individuals may also be fined \$5 million, imprisoned for a period of up to twenty (20) years, and face up to twenty (20) years, and face up to \$100,000 in civil penalties.