



CORPORATE GOVERNANCE

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(Free translation for English readers)

Gouvernement d'entreprise

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6.1 COMPOSITION AND OPERATION OF THE ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

The Ordinary and Extraordinary Shareholders' Meeting held on 14 June 1994 approved the adoption of a management structure with a Management Board and a Supervisory Board.

6.1.0 COMPOSITION OF ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES AS AT 31 DECEMBER 2007

6.1.0.1 Management Board

	Year of birth	Date of appointment to the Management Board	Date on which appointment ceases
Chairman			
Pierre Verluca	1944	12/12/2000	Date of AGM to approve 2007 financial statements
Members			
Bertrand Cantegrit	1950	01/04/2006	Date of AGM to approve 2007 financial statements
Marco Antônio Castello Branco	1960	01/04/2006	Date of AGM to approve 2007 financial statements
Jean-Pierre Michel	1955	01/04/2006	Date of AGM to approve 2007 financial statements

On 10 June 2004, Mr Pierre Verluca was appointed Chairman of the Management Board to replace Mr Jean-Claude Cabre who had reached the statutory age limit under the provisions of Vallourec's by-laws.

Mr Marco Antônio Castello Branco has asked to leave the Group for personal reasons when his term of office expires at the end of the Shareholders' Meeting to be held on 4 June 2008.

6.1.0.2 Supervisory Board

	Year of birth	Date of first appointment (as Director or Supervisory Board member)	Date on which appointment ceases	Other main appointment
Chairman				
Jean-Paul Parayre	1937	13/06/1989	Date of AGM to approve 2010 financial statements	President of the Supervisory Board of Stena Maritime and Member of the Supervisory Board of Peugeot SA
Vice-Chairman				
Patrick Boissier	1950	15/06/2000	Date of AGM to approve 2010 financial statements	COO of CEGELEC
Members				
Luiz-Olavo Baptista	1938	11/06/2002	Date of AGM to approve 2007 financial statements	Lawyer and Professor of International Law
Michel de Fabiani	1945	10/06/2004	Date of AGM to approve 2009 financial statements	Director of BP France and Rhodia
Denis Gautier-Sauvagnac	1943	07/02/1997	Date of AGM to approve 2010 financial statements	Managing Director of UIMM
François Henrot	1949	08/06/1999	Date of AGM to approve 2010 financial statements	Managing Partner of Rothschild & Cie Banque and Rothschild & Cie
Edward G. Krubasik	1944	06/03/2007	Date of AGM to approve 2007 financial statements	Vice-Chairman of the Federation of German Industries
Jean-Claude Verdière	1938	01/07/2001	Date of AGM to approve 2009 financial statements	Member of the Management Board of Vallourec until 30 June 2001
Société Financière de Sainte-Marine (Bolloré group) represented par Thierry Marraud	1942	10/06/2004	Date of AGM to approve 2009 financial statements	CFO of Bolloré group
Censeur, Honorary Chairman				
Arnaud Leenhardt	1929	-	Date of AGM to approve 2009 financial statements	Chairman of the Board of Directors of Vallourec from 1981 to 1994, then of the Supervisory Board from 1994 to 2000

The Shareholders' Meeting to be held on 4 June 2008 will be asked to:

- renew the term of office of Mr Edward G. Krubasik for a period of four years (fifth resolution);
- ratify the appointment, decided by the Supervisory Board on 10 April 2008, of Mr Philippe Crouzet as a member of the Board to replace Mr Luiz Olavo-Baptista and to renew for a period of four (4) years Mr Philippe Crouzet's term of office, which expires at the end of the Meeting (sixth resolution).
- Mr Philippe Crouzet's curriculum vitae is included in the special appendix to the Management Board's management report on the other positions held by Vallourec Company officers;
- appoint Mr Luiz-Olavo Baptista as Censeur (non-voting consulting director) for a term of four years (seventh resolution).

6.1.0.3 Executive Committee

As at 31 December 2007, the Executive Committee of the Vallourec Group comprised the following members:

- Bertrand Cantegrit Member of the Management Board
Chief Financial Officer: Finance, Law and External
Communication
- Marco Antônio Castello Branco Member of the Management Board
Chairman, Hot-Rolled Tubes Division
Chairman, V & M do Brasil
- Jean Charpentier Vice-President, Human Resources
- Pierre Frentzel Managing Director, Oil & Gas Division
- Jean-Yves Le Cuziat Managing Director, Hot-Rolled Tubes Division
- Jean-Louis Merveille Vice-President, Purchasing Department
- Jean-Pierre Michel Member of the Management Board
Vice-President, Controlling and Quality, Marketing and
Purchasing
Chairman, Oil & Gas activities and Chairman, Speciality
Products Division
- Pierre Verluca Chairman of the Management Board

The Executive Committee meets each week.

On 31 March 2008, the date on which Mr Jean Charpentier retired; Mr Jean-Louis Merveille took over as Head of human resources for the Group.



Pierre Verluca



Jean-Pierre Michel



Marco Antonio
Castello Branco



Bertrand Cantegrit



Jean-Louis Merveille



Jean-Yves Le Cuziat



Pierre Frentzel

6.1.1 OPERATION OF ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

6.1.1.1 Internal regulations of the Supervisory Board

At its meeting on 17 April 2003, the Vallourec Supervisory Board drew up internal regulations designed to formalize its operating rules and working methods. These regulations may be amended or added to at any time as a result of a decision taken by the Supervisory Board. They were updated on 3 May 2007.

The Supervisory Board meets at least four times a year.

- In addition to the restrictions on the powers of the Management Board as stipulated in Article 9, Section 3 of the by-laws (see 3.2.0 above), it is also stipulated that the following actions must receive the prior approval of the Supervisory Board:
 - the repurchase by the Company of its own shares;
 - the granting to directors and Group employees of options to subscribe for or purchase the Company's shares, the granting of bonus shares, or any other granting of benefits of a similar nature under the terms of authorizations granted by the General Shareholders' Meeting;
 - any significant transaction of a type likely to substantially modify the activity or financial structure of the Company or of the Group that it controls or the nature of the risks incurred.

Once a quarter, the Management Board, in accordance with the provisions of Section 4 of Article L. 225-68 of the *Code de commerce* (French Commercial Code), submits a report to the Supervisory Board describing as comprehensively as possible the Group's current performance. The Management Board consults the Supervisory Board about the dividend to be proposed to the General Meeting of shareholders. At the end of the year, it submits the budget, forecast capital expenditure programme and financing plan for the following year.

In the performance of its duties, the Supervisory Board is regularly informed by the Management Board of any significant event concerning the Group's performance. It ensures that the latter keeps it informed of all matters that it judges useful and necessary in the exercise of its supervisory role. In order to ensure the process operates correctly, the Chairman of the Supervisory Board, assisted by all members of the Board, ensures that such information is provided. The specific information required by each of the Committees of the Supervisory Board for the performance of their duties is gathered by the Chairman of each of the Committees in collaboration with the Management Board. In addition, each member of the Supervisory Board is required to:

- have converted into registered form all of the Vallourec shares he holds. The minimum holding requirement, as stipulated by the by-laws, is 50 shares;
- regard himself as being in possession of insider knowledge and as such, in particular, to respect the periods during which members in possession of insider knowledge may not buy, sell or take positions in the Company's shares. During its meeting on 14 November 2007, the Board decided to standardize said periods, which are now the three weeks preceding the four occasions on which the Group releases its results (annual, first half, first quarter and third quarter results). As regards the release of the fourth quarter sales, the only release made independently of the announcement of the Group's income, the period concerned is two weeks;
- comply with the regulations of the French securities regulator (Autorité des Marchés Financiers) published on 24 November 2004 as regards the obligation to disclose transactions carried out by Company officers on financial instruments issued by the Company.
- A timetable indicating those times at which members in possession of insider knowledge may not trade in the Company's shares is sent each year to Supervisory Board members.

6.1.1.2 Meetings of the Supervisory Board during the year ended 31 December 2007

Six meetings of the Supervisory Board were held in 2007. The attendance rate was very high and members who were not able to attend a meeting always appointed a proxy to represent them (see 8.2 below). The average duration of meetings is about three hours.

6.1.1.3 Independent members and members associated with the Company

The Supervisory Board regularly examines the position of each of its members on an individual basis with regard to the criteria of the "Bouton report". It bases its examination on the recommendations made by the Appointments and Remuneration Committee (see 6.1.1.4 below).

As a result of these examinations, the Supervisory Board decided, as at 31 December 2007, to:

- consider as independent members Messrs Luiz-Olavo Baptista, Patrick Boissier, Michel de Fabiani, Denis Gautier-Sauvagnac, Edward G. Krubasik and Jean-Claude Verdière;
- consider as members associated with the Company:
 - Mr Thierry Marraud, representing Société Financière de Sainte-Marine and CFO of the Bolloré group, after taking account of the interest in Vallourec held by the Bolloré group,
 - Mr François Henrot, after taking account of the assistance agreement entered into by the Management Board with Rothschild & Cie in 2006 and 2007 (see Management Board management report – Regulated Agreements),
 - Mr Jean-Paul Parayre, who was first appointed as a Director more than 12 years ago, on 13 June 1989.
- Thus, as at 31 December 2007, six out of the nine members of the Supervisory Board were regarded as being independent vis-à-vis the Company.

6.1.1.4 Committees set up within the Supervisory Board

The Supervisory Board has three Committees:

- the Finance Committee;
- the Appointments and Remuneration Committee;
- the Strategy Committee.

Finance Committee

The Finance Committee (formerly called the Audit Committee) was set up on 5 March 2002. It advises the Supervisory Board on the relevance and consistency of the accounting methods adopted for the preparation of Vallourec Company and consolidated financial statements, particularly at the time of publication of the annual or interim financial statements.

The Finance Committee's regulations were approved by the Supervisory Board during its meeting on 17 April 2003. They were updated on 3 May 2007.

The Committee is informed of changes in the earnings, cash, indebtedness, financial risks and corresponding forecasts for the Company and its main subsidiaries. It is also kept informed on off-balance sheet commitments. More generally, the Finance Committee reviews the various elements of the Group's financial strategy.

The Chairman of the Supervisory Board may decide to refer to the Finance Committee any issue requiring the Board's prior approval (transactions affecting the share capital, the issue of convertible bonds, bonds or other loans, redemptions, etc.), as well as any proposed acquisitions of significant value.

The Finance Committee supervises the selection of the Auditors, gives its opinion as to the level of fees charged for the performance of the statutory audit and submits the results of this selection process to the Supervisory Board.

It reports to the Supervisory Board in respect of its duties.

As at 31 December 2007, the Finance Committee was composed of Messrs Jean-Claude Verdière (Chairman), Edward G. Krubasik and Thierry Marraud, i.e. two independent members out of a total of three. Mr Michel de Fabiani, who was Chairman of the Finance Committee until 3 May 2007, joined the Appointments and Remuneration Committee on that date.

The Finance Committee met six times in 2007. All members were present at each meeting. One of its main duties was to review the financial statements for the year ended 31 December 2006, the half year ended 30 June 2007 and the quarters ended 30 March and 30 September 2007. The

Committee also met at the end of February 2008 to review the financial statements for the year ended 31 December 2007.

The Statutory Auditors attended four Finance Committee meetings (preparatory meetings concerning the annual, half-year and quarterly financial statements) in respect of the financial year 2007. They submitted a report to the Supervisory Board on the work performed in the context of their assignment.

Among the important subjects examined in 2007, the Finance Committee paid particular attention to:

- the monitoring of the 2007 and 2008 forecasts;
- the Group's financial communication policy;
- proposals as regards acquisitions or significant capital expenditure;
- the medium- and long-term financing plan.

Appointments and Remuneration Committee

The Remuneration Committee, set up in 1994 when Vallourec adopted a management structure with a Management Board and a Supervisory Board, was renamed the Appointments and Remuneration Committee on 17 April 2003. As at 31 December 2007, the Appointments and Remuneration Committee was composed of Messrs Jean-Paul Parayre (Chairman), Patrick Boissier, Michel de Fabiani and Denis Gautier-Sauvagnac, i.e. three independent members out of a total of four.

The regulations of the Appointments and Remuneration Committee were approved by the Supervisory Board during its meeting on 17 April 2003. They were updated on 3 May 2007.

The duties of the Appointments and Remuneration Committee are as follows:

- ***Appointments:***

- preparation of the procedure used to select members of the Supervisory Board and Management Board and the criteria to be used;
- drawing up proposals for appointments and re-appointments;
- The Committee's choice of candidates for appointment as members of the Board must be guided by the interests of the Company and all its shareholders. It must take into account, in particular, the desired balance of the composition of the Board in view of the composition of, and changes in, the Company's shareholder base;

- ***Remuneration:***

- proposals concerning the amounts and allocation of attendance fees paid to Board members as well as the remuneration of members of the Committees;
- proposals concerning the remuneration of the Chairman of the Supervisory Board;
- remuneration of members of the Management Board: the Committee is responsible for recommending to the Board the structure and level of the remuneration paid to each member of the Management Board (fixed part, variable part and benefits in kind);
- share subscription and share purchase options or allocations of bonus shares granted to the members of the Management Board. To this effect, the Committee issues a recommendation on the policy for granting share subscription and share purchase options and bonus shares and reviews each plan that the Management Board envisages implementing for the benefit of Group managers and/or employees.

In addition, as regards members of the Executive Committee, the Committee is informed of their appointment, remuneration and the arrangements for subsequent appointments.

The Committee met three times in 2007. Its main duties involved preparing and reviewing information to assist the Supervisory Board take decisions on the following matters:

- updating of the remuneration of the members of the Management Board. Review of the consequences of the French work, employment and purchasing power law (loi en faveur du travail, de l'emploi et du pouvoir d'achat – Loi "TEPA");

- policy as regards the allocation of bonus shares (3 May 2007 plan) and options (3 September 2007 plan);
- the setting of overall budgets and the number of bonus shares and share subscription options allocated to each member of the Management Board. Requirements for such members to retain a portion of the shares and options allocated;
- payment of attendance fees to the members of the Supervisory Board, the members of the Committees and the Censeur (non-voting consulting director);
- composition of the Supervisory Board following, in particular, the departure of the three representatives of Salzgitter. Definition of the desired profile of new members to be recruited. Specialized recruitment firm appointed to identify suitable candidates, which resulted in the provisional appointment on 6 March 2007 of Mr Edward Krubasik as a member of the Supervisory Board.

Strategy Committee

The Strategy Committee set up in 2000 and disbanded in 2002 was reformed on 3 May 2007 since the Board felt that it was important to undertake preliminary reviews of the large number of proposals for significant acquisitions and capital expenditure.

The Committee is composed of Messrs Edward G. Krubasik (Chairman), François Henrot and Jean-Claude Verdière, i.e. two independent members out of a total of three.

The Committee is responsible for preparing the necessary information for Supervisory Board meetings. The Committee's main aim is to review and give consideration to the Group's long-term future and principal objectives. Its regulations are currently being finalized.

The Committee met five times during 2007, including one joint meeting with the Finance Committee.

6.1.1.5 Censeur (non-voting consulting director)

The Extraordinary General Meeting of shareholders of 1 June 2006 (sixth resolution) decided to create the position of Censeur (non-voting consulting director), thereby enabling the Supervisory Board to benefit, where relevant, from the skills and experience of people who, for whatever reason, cannot or do not wish to be appointed members of the Supervisory Board.

There may not be more than two censeurs. The main role of the censeurs is to ensure the strict application of the by-laws. They attend meetings of the Supervisory Board and take part in discussions in an advisory capacity.

6.1.1.6 Remuneration principles

In all matters concerning the principles and levels of remuneration of both the Supervisory Board and the Management Board, the Supervisory Board relies on the recommendations of the Appointments and Remuneration Committee, which itself relies on the research and advice of a leading international firm specializing in executive remuneration.

Remuneration of Management Board members

The remuneration of Management Board members is composed of a fixed part and a variable part (bonus). Group policy is to set the fixed part towards the lower end of a reference scale and to set the bonus at the higher end.

The method of calculating the bonus was revised in 2007, following which it is composed of a quantitative bonus and a qualitative bonus.

The quantitative bonus is now composed of a "profit-sharing bonus" based on the net income, Group share, and a "performance bonus" linked to the proper execution of the budget.

- The trigger level for the profit-sharing bonus is set at 5% of sales. For the President of the Management Board, it is set at 0.7‰ of net income, Group share, less 5% of sales and capped at 40% of base salary and for the three other members, it is set at 0.37‰ and capped at 35% of base salary.

- The performance bonus is capped at 20% of base salary in the case of the Chairman and 15% in the case of the other members. It varies on a straight-line basis between 0 where net income is 15% below budget and the cap is reached where net income is 15% above budget.

The qualitative bonus is capped at 30% of base salary in the case of the Chairman of the Management Board and 25% in the case of the other members. It depends on the total or partial achievement of certain objectives defined with the members concerned.

The theoretical maximum total bonus is therefore 90% of base salary in the case of the Chairman of the Management Board and 75% in the case of the other three members.

The calculations are verified by the Statutory Auditors.

Remuneration of Supervisory Board members

The maximum annual Board members' attendance fees for allocation by the Supervisory Board was increased to € 400,000 by the Ordinary General Meeting of 1 June 2006 (fifteenth resolution).

The principle adopted is that the same amount is paid to each Board member and to the Censeur(s), calculated *pro rata* in the case of an appointment or termination of an appointment during the year.

In addition to the attendance fees allocated to him, the Chairman of the Supervisory Board receives remuneration, the amount of which was increased by the Supervisory Board, as recommended by the Appointments and Remuneration Committee, to € 250,000 per year with effect from 1 January 2006.

Remuneration of Committee members

Committee members receive additional attendance fees.

Remuneration of the Censeur(s)

The remuneration of the Censeur(s) comes within the annual budget for attendance fees allocated to the Supervisory Board.

Details of the remuneration paid to Company officers in 2007 are provided in the Management Board's management report ("Remuneration of Company Officers").

6.1.1.7 Corporate governance

In view of the above, Vallourec considers that it complies with the corporate governance provisions currently in force in France.

6.2 MANAGERS' INTERESTS

6.2.0 REMUNERATION AND BENEFITS IN KIND

In accordance with the requirements of Article L. 225-102-1 of the *Code de commerce* (French Commercial Code), the total of all remuneration and benefits of any kind paid to each Company officer during the financial year 2007, directly or indirectly, by Vallourec or by any company in the Group, is shown in the Management Board's management report ("Remuneration of Company Officers"), which forms an integral part of this Reference Document.

6.2.1 OPTIONS GRANTED OVER VALLOUREC SHARES AND ALLOCATIONS OF BONUS SHARES

See 6.3.2. and 6.3.3 below and the special reports on options and allocations of bonus shares prepared by the Management Board in accordance with the provisions of the *Code de commerce* (French Commercial Code).

6.2.2 TRANSACTIONS WITH MEMBERS OF THE ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

None.

6.2.3 LOANS AND GUARANTEES

None.

6.3 EMPLOYEE PROFIT SHARING

6.3.1 PROFIT SHARING AND INCENTIVE PLANS

Profit sharing

The amounts paid in respect of special reserves for profit sharing during the last five financial years are as follows:

<i>In € million</i>	2003	2004	2005	2006	2007
	1.89	2.97	11.28	19.27	21.62

Incentive plans

Most companies in the Group have incentive plans enabling employees' compensation to be related to the Company's performance. Such performance is determined as a function of operating income or loss in relation to sales.

Amounts paid in this respect during the last five financial years are as follows:

<i>In € million</i>	2003	2004	2005	2006	2007
	5.41	15.8	44.25	38.07	39.80

Company savings plan

In France, in 1989, the Vallourec Group formed a Company savings plan (*Plan d'épargne d'entreprise – PEE*) to help employees build up capital over the medium and long term. Since 2005, these arrangements have been supplemented by the implementation, by agreement, of a group retirement savings plan (*Plan d'épargne retraite collectif - PERCO*).

Employees' voluntary payments are topped up by the company in accordance with a scale updated each year in relation to the Group's performance.

The amounts paid by way of Company contributions over the last five financial years were as follows:

<i>In € million</i>	2003	2004	2005		2006		2007	
			PEE	PERCO	PEE	PERCO	PEE	PERCO
	0.61	0.48	0.56	0.93	1.45	1.53	1.20	1.50

6.3.2 OPTIONS

(The figures in the following tables have been recalculated, where necessary, to take into account the rights offering in July 2005 and the division by 5 of the nominal value of Vallourec shares, effective as from 18 July 2006).

Share subscription options: 15 June 2000 plan

Date of General Meeting	15 June 2000
Date of Management Board Meeting	15 June 2000
Number of option holders when plan implemented	144
Total number of options granted at the outset	892,500
Total number of options adjusted for rights offering (July 2005)	893,590
• exercise price ^(*)	€ 7.60
• exercise price adjusted for rights offering on 13 July 2005	€ 7.49
Date from which options may be exercised	15 June 2004
Expiry date of exercise period	14 June 2007
Number of shares subscribed at the end of the plan (14 June 2007) (1 option = 1 share)	856,030
Number of options cancelled (option holders who have left the Group) or not exercised	37,560
Number of options that could be exercised at 31 December 2007	Plan ended

^(*) 95% of the average for the twenty trading sessions preceding the grant date.

Share purchase options: 15 June 2003 plan

Date of General Meeting	15 June 2000
Date of Management Board Meeting	15 June 2003
Number of option holders when plan implemented	148
Total number of options granted at the outset	979,480
• of which number of options granted to those employees who were members of the Management Board (as at 15 June 2003)	152,270
• number of senior managers involved	2
• exercise price ^(*)	€ 10.73
• exercise price adjusted for rights offering on 13 July 2005	€ 10.57
Impact on dilution	none
Date from which options may be exercised	11 June 2007
Expiry date of exercise period	10 June 2010
Number of shares purchased as at 31 December 2007	928,616
Number of options cancelled after being granted (option holders who have left the Group)	13,750
Number of options that could be exercised at 31 December 2007 (1 option = 1 share)	37,114

(*) *Average of the last twenty prices for the twenty trading sessions preceding the grant date, not discounted.*

Share subscription options: 3 September 2007 plan

Date of General Meeting	6 June 2007
Date of Management Board Meeting	3 September 2007
Number of option holders when plan implemented	65
Total number of options granted	147,300
• of which total number of options granted to those employees who were members of the Management Board	46,000
• number of senior managers involved	4
Total number of options granted to the ten employees who are not Company officers and who were granted the highest number of options	33,000
Potential dilution	0.3%
Exercise price (*)	€ 190.60
Date from which options may be exercised	3 September 2011
Expiry date of exercise period	2 September 2014
Number of options cancelled after being granted (option holders who have left the Group)	-

(*) *Average of the last twenty prices for the twenty trading sessions preceding the grant date.*

6.3.3 ALLOCATIONS OF BONUS SHARES

16 January 2006 plan

Date of General Meeting: 7 June 2005

Date of Management Board Meeting: 16 January 2006

Number of beneficiaries when plan implemented: 199

Acquisition period: two years as from 16 January 2006

Conditions of allocation:

The definitive allocation, on 16 January 2008, has been based on the ratio of consolidated EBITDA to consolidated sales achieved by the Group in 2006 and 2007 represented by a coefficient K.

Calculation of coefficient K:

Coefficient K is equal to zero if the EBITDA/sales ratio is less than or equal to 10% and equal to a maximum of 1.33 in the event of an EBITDA/sales ratio equal to or higher than 30%. Between these two limits, coefficient K is calculated by interpolation (K = 1 for EBITDA/sales ratio = 25%).

Value of coefficient K:

Financial year 2006: EBITDA/sales ratio = 30.1% ==> K = 1.33 (maximum)

Financial year 2007: EBITDA/sales ratio = 28.51 % ==> K = 1.234

2006/2007 average ratio = 1.282

Theoretical number of shares allocated on 16 January 2006: 148,000 on the basis K = 1

Number of shares allocated on 16 January 2008:

147,300 x 1.282 = 188,853

(after taking into account the cancellation of the allocation of 700 shares)

Last listed price on 13 January 2006 (last trading day preceding allocation): € 92.76

(figure recalculated to take into account the division by five of the nominal value of Vallourec's shares on 18 July 2006).

Impact on dilution: none (allocation of existing shares)

Total number of shares allocated on 16 January 2006 to those employees who were members of the Management Board (as at 16 January 2006): 15,000

Total number of shares allocated on 16 January 2006 to the 10 main beneficiaries other than the members of the Management Board: 37,500

Holding period: two years as from 16 January 2008.

3 May 2007 plan

Date of General Meeting: 7 June 2005

Date of Management Board Meeting: 3 May 2007

Number of beneficiaries when plan implemented: 280

Acquisition period/Conditions of allocation:

The allocation is subject to the same performance conditions as the 16 January 2006 plan. However, in the case of Management Board members, the minimum allocation threshold is set at 12%.

The shares will be allocated in three successive tranches on 3 May 2009 (based on 2008 EBITDA/sales ratio), 3 May 2010 (2009 EBITDA/sales ratio) and 3 May 2011 (2010 EBITDA/sales ratio).

Theoretical number of shares allocated on 3 May 2007: 111,000 (K = 1)

Last listed price on 2 May 2007 (last trading day preceding allocation): € 198.50

Impact on dilution: none (allocation of existing shares)

Total number of shares allocated to those employees who were members of the Management Board (as at 3 May 2007): 4,800

Total number of shares allocated on 3 May 2007 to the ten employees who are not Company officers and who were allocated the highest number of shares: 12,000

Holding period: 2 years as from the allocation date.

6.3.4 EMPLOYEE SHAREHOLDING

An employee share ownership plan introduced in July 2001 reached its maturity after five years in July 2006. Taking into account movements in the Vallourec share price, performances have been remarkable, with subscribers' investments having been multiplied by 27.6 on average.

A new five-year plan was proposed, which was implemented on 13 July 2006. This plan was intended for all French and German employees with at least three months' service. The plan was not introduced in other countries due to the complex problems, particularly regulatory and tax problems, which would need to be overcome in view of the amounts involved. The investment, the capital of which was guaranteed, was capped at €1,000 per person with a target of 4,000 subscribers.

The operation was a real success since the number of employees subscribing totalled 4,956, i.e. 1,054 more than in 2001, of whom 2,397 were in France and 2,559 in Germany, for a total of

€ 4.4 million, which was invested in Vallourec shares acquired on the market. There was therefore no dilution.

The aim of resolutions 12, 13, 14 and 15 to be submitted to the Shareholders' Meeting on 4 June 2008 is to delegate to the Management Board, the powers needed to make one (or more) issue(s) of new shares reserved for Group employees (see 8.1.5 Special report of the Management Board below).

Other parts included:

8.1 Specific documents for the Ordinary and Extraordinary General Meeting on 4 June 2008

8.1.1 MANAGEMENT BOARD REPORTS

8.1.1.1 Remuneration of Company officers

In accordance with the requirements of Article L. 225-102-1 of the *Code de commerce* (French Commercial Code), we inform you that the total remuneration and any benefits in kind paid to each Company officer during the financial year, directly or indirectly, by Vallourec or by any company in the Group, was as follows:

Supervisory Board

Attendance fees were set for each member at € 28,000 in 2007. Members of the Committees, with the exception of Mr Jean-Paul Parayre, also received additional attendance fees based on their attendance at meetings of the committee(s) to which they belonged. For each meeting, the committee Chairman received attendance fees of € 3,500 and the members each received € 2,500.

The attendance fees allocated to the Censeur (non-voting consulting director) were the same as those allocated to the Supervisory Board members.

Consequently, in 2007, the attendance fees allocated to the members of the Supervisory Board were as follows:

In euros

Messrs	Jean-Paul Parayre	28,000
	Luiz-Olavo Baptista	28,000
	Patrick Boissier	35,500
	Michel de Fabiani	41,000
	Denis Gautier-Sauvagnac	35,500
	François Henrot	38,000
	Edward G. Krubasik	55,500
	Jean-Claude Verdière	58,500
	Thierry Marraud (Sainte-Marine)	45,500

Arnaud Leenhardt (Censeur)	28,000
	393,500

Mr Jean-Paul Parayre also received a gross annual payment of € 250,000 as Chairman of the Supervisory Board.

Management Board

The remuneration paid to members of the Management Board during the financial year 2007 was as follows:

<i>In € thousand</i>	Fixed portion	First instalment of 2007 variable portion	Balance of 2006 variable portion	Total paid in 2007	+ Benefits in kind
Mr Pierre Verluca	500.0	153.4	148.5	801.9	4.7
Mr Bertrand Cantegrit	300.0	71.3	93.2	464.6	2.2
Mr Marco Antônio Castello Branco	300.0	71.3	92.8	464.2	22.4
Mr Jean-Pierre Michel	300.0	71.3	85.2	456.5	3.9

The remuneration in respect of 2007 was as follows:

<i>In € thousand</i>	Fixed portion	First instalment of 2007 variable portion	Balance of 2007 variable portion	Total in respect of 2007	+ Benefits in kind
Mr Pierre Verluca	500.0	153.4	240.0	893.5	4.7
Mr Bertrand Cantegrit	300.0	71.3	110.6	482.0	2.2
Mr Marco Antônio Castello Branco	300.0	71.3	110.6	482.0	22.4
Mr Jean-Pierre Michel	300.0	71.3	110.6	482.0	3.9

The balance of the variable portion was paid in March 2008. The method used to calculate the variable portion is explained in Section 6.1.1.6 of this Reference Document (Remuneration principles).

The following allocations were also made to the members of the Management Board:

- 1,200 shares were allocated to each member under the terms of the 3 May 2007 bonus share allocation plan;
- 13,000 options were granted to Mr Pierre Verluca and 11,000 options were granted to each of the other three members under the terms of the 3 September 2007 share subscription option plan.

Full details of the conditions of allocation and exercise applicable to these two plans are provided in the Special report of the Management Board on options (8.1.2) and the Special report of the Management Board on allocations of bonus shares (8.1.3).

As regards benefits in kind, the members of the Management Board each had a company car and Mr Marco Antônio Castello Branco also received a housing allowance.

As regards pension provision, there is no specific pension scheme for members of the Management Board who are, instead, covered by the supplementary pension scheme for the senior management of Vallourec and V & M Tubes, which was approved by the Supervisory Board at its Meeting on 14 September 2005. The terms and conditions applicable to these supplementary pension commitments are detailed below in the section of the management report dealing with regulated agreements and commitments.

Management Board members did not receive any termination benefits as a result of the termination by the Company of their term of office. When they joined the Group as employees, they signed a contract of employment. Such contracts now provide, for each Management Board member, for the payment of redundancy compensation corresponding to nearly two years' fixed gross remuneration.

The information on the Management Board laid down in Article L. 225-100-3 is provided in Section 6 on corporate governance of the 2006 Reference Document, of which this management report forms an integral part, and, in particular, in Section 6.1 dealing with the composition and operation of the administration, management and supervisory bodies.

8.1.1.2 Information on the breakdown of capital

At 31 December 2007, the shareholders and their respective shareholdings were as follows:

Shareholders	Number of shares	% of shares	Number of voting rights	% of voting rights
Barclays Group	4,257,447	8.03%	4,257,447	7.81%
Bolloré Group	2,107,449	3.97%	3,547,833	6.51%
Free float	48,104,452	86.93%	46,604,934	85.52%
Group employees	85,843	0.16%	85,843	0.16%
Directly held by Vallourec	483,529	0.91%	--	0.0%
TOTAL	53,038,720	100%	54,496,057	100%

As far as Vallourec is aware, the only shareholders known and declared to hold directly or indirectly more than 5% of the capital and voting rights at this date were the Barclays Group and the Bolloré Group. We were informed of the numbers of shares held by the Bolloré Group and Barclays Group by the groups themselves:

- Barclays announced that its holdings fell below the 5% threshold on 10 and 11 January 2008, reducing its holding to 4.83% in terms of share capital and 4.70% in terms of voting rights. This declaration was registered with the French securities regulator (Autorité des Marchés Financiers – AMF) under number 208C0138 and is available on the Company's website (www.vallourec.com) under the heading "Regulated information";
- as a result of sales on 14, 21 and 23 January 2008, the Bolloré Group reduced its holding to 0.37% in terms of share capital and 0.38% in terms of voting rights. However, following purchases on 7 and 12 February 2008, its holding increased to 2.02% in terms of both share capital and voting rights;
- the own shares held directly by Vallourec include the shares acquired under the terms of the liquidity contract, which totalled 63,400 as at 31 December 2007. This contract, by its nature, included changes which are the subject of monthly ad hoc declarations which are available on the Company's website (www.vallourec.com) under the heading "Regulated information";

- the holdings of Group employees have arisen as a result of a plan implemented in July 2006 for a duration of five years. The Vallourec shares in which the subscription proceeds (€ 4.4 million) were invested were acquired on the market (see 6.3.3. above).

Information of a general nature concerning the Company's share capital is provided in Section 3.2 and information concerning the breakdown of the share capital and voting rights is provided in Section 3.3 of the 2007 Reference Document, of which this management report forms an integral part.

Comments on the resolutions proposed to the General Meeting

8.1.1.3 Regulated agreements (fourth resolution)

Agreements authorized during the year

The Supervisory Board authorized the Management Board to enter into two assistance agreements with Banque Rothschild & Cie. Under the terms of these agreements, Banque Rothschild & Cie is to provide advice to the Group in connection with corporate acquisitions.

The first agreement, which was authorized on 31 July 2007, provides for the payment of a success fee of € 4 million plus discretionary commission of up to € 2 million depending on the complexity of the operation and the work carried out by the Bank.

The second agreement, which was authorized on 18 October 2007, provides for the payment only of a success fee of € 2.5 million.

Agreements approved in prior years that continue to apply in the current year

Agreement with Banque Rothschild & Cie

On 7 March 2006, the Supervisory Board authorized the Management Board to enter into an agreement with Banque Rothschild & Cie under which the bank has two specific tasks: on the one hand the analysis, evaluation and definition of Vallourec's strategic and defensive options and, on the other hand, assistance with and defence against a takeover bid. The term of the agreement is 24 months as from the date it took effect, i.e. 1 April 2006, renewable by tacit agreement for periods of six months.

The agreement was suspended as from the beginning of 2007, such a suspension being allowed for under the terms of the agreement. A decision was taken to reactivate the agreement as from 1 July 2007 and the payment of a quarterly fee of € 120,000 excluding tax recommenced as from that date.

Supplementary pension scheme for senior management

The defined benefit scheme (additional pension scheme) financed by the Company and in respect of which the vesting of rights is conditional on the employee finishing his career at Vallourec and/or V & M Tubes, which supplements the income following retirement of the Group's former managerial staff, under acceptable economic, financial and social conditions, was renewed in 2007. The Company undertakes to pay a lifetime annuity at a predetermined level, directly proportional to the salary and in accordance with the employee's seniority and career development. The annuity is capped at 20% of the average basic salary excluding bonus of the last three years and limited to four times the annual social security ceiling. The scheme is insured with AXA France Vie.

The scheme is established for an indefinite period but may be terminated at any time.

This scheme was approved by the Vallourec Supervisory Board on 14 September 2005.

The Supervisory Board noted that the members of the Vallourec Management Board are likely to benefit from rights if they work within the Group until the end of their careers.

Centralized management of cash and foreign currency

On 12 December 2006, the Supervisory Board authorized Vallourec's participation in a centralized cash and foreign currency management system of which V & M Tubes was to be the centralizing company and which was to involve a number of Group companies including Vallourec. This system was implemented in 2007 and is still in operation.

Vallourec did not participate in the centralized management of exchange rate hedges in 2007 since these arrangements were not implemented until the end of the year.

Under the centralized cash management system, Vallourec benefited from market terms and conditions (borrowings and interest rates based on money-market rates).

8.1.1.4 Supervisory Board

We propose that you:

- renew the term of office of Mr Edward G. Krubasik for a period of four years (fifth resolution);
- ratify the appointment, decided by the Supervisory Board on 10 April 2008, of Mr Philippe Crouzet as a member of the Supervisory Board to replace Mr Luiz-Olavo Baptista, who resigned on that date (sixth resolution).
- Mr Crouzet, who was born in 1956, studied at the Ecole Nationale d'Administration and was a counsel (maître des requêtes) to the Conseil d'Etat. He joined the Saint-Gobain Group in 1986 as Vice-President of Corporate Planning and went on to become Vice-President of Papeteries de Condat, General Delegate to Spain and Portugal and President of the Ceramics Division. In 2000, he was appointed Senior Vice-President of the Group, in charge of Finance, Purchasing and Information Systems. In May 2005, he became head of the Building Distribution sector.
- Since Mr Philippe Crouzet's term of office will expire, like that of his predecessor, at the end of this Meeting, you are asked to renew it for a period of four years;
- appoint Mr Luiz-Olavo Baptista, who was a member of the Supervisory Board from 11 June 2002 until 10 April 2008, as Censeur (non-voting consulting director) also for a period of four years (seventh resolution).

APPENDIX TO THE MANAGEMENT BOARD'S MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

LIST OF OTHER POSITIONS HELD BY VALLOUREC COMPANY OFFICERS

Members of the Supervisory Board

Jean-Paul PARAYRE

Date of first appointment: 13 June 1989 (at which time Vallourec was managed by a Board of Directors)

Date appointment most recently renewed: 1 June 2006

Date of appointment as Chairman of the Supervisory Board: 15 June 2000

Date on which appointment ceases: General Meeting called to approve the financial statements for the financial year 2010

Chairman of the Appointments and Remuneration Committee within the Supervisory Board

Date of birth: 5 July 1937

Business address

None

Expertise and managerial experience

1977-1984: Chairman of the Management Board of PSA Peugeot-Citroën

1984-1990: COO then Chairman of the Management Board of Dumez

1990-1992: Vice-President and COO of Lyonnaise des Eaux Dumez

1994-1999: Vice-President and COO of Bolloré Group

1996-1999: CEO of Saga

Positions held in 2007

Positions and appointments held in French companies

- Chairman of the Supervisory Board of Vallourec and Stena Maritime
- Member of the Supervisory Board of Peugeot
- Director of Bolloré, SNEF and Vallourec & Mannesmann Tubes (representing Vallourec)

Positions and appointments held in foreign companies

- Manager B of Stena International
- Sarl

Positions held in 2006

Positions and appointments held in French companies

- Chairman of the Supervisory Board of Vallourec and Stena Maritime
- Member of the Supervisory Board of Peugeot
- Director of Bolloré Investissement, SNEF, Vallourec & Mannesmann Tubes (representing Vallourec since 15 March 2006) and ValTubes (representing Vallourec until 29 December 2006)

Positions and appointments held in foreign companies

- Member of the Advisory Board of V & M do Brasil (to 6 October 2006)
- Director of Stena International

Positions held in 2005

Positions and appointments held in French companies

- Chairman of the Supervisory Board of Vallourec and Stena Maritime
- Member of the Supervisory Board of Peugeot
- Director of Bolloré Investissement, SNEF and ValTubes (representing Vallourec)

Positions and appointments held in foreign companies

- Member of the Advisory Board of V & M do Brasil
- Director of SDV Cameroun (to October 2005), Stena International and Stena Line (to June 2005)

Positions held in 2004

Positions and appointments held in French companies

- Chairman of the Supervisory Board of Vallourec and Stena Maritime
- Member of the Supervisory Board of Peugeot
- Director of Bolloré Investissement, Seabulk (to September 2004), Sea-invest France (to September 2004), SNEF and ValTubes (representing Vallourec)

Positions and appointments held in foreign companies

- Member of the Advisory Board of V & M do Brasil
- Director of SDV Cameroun, Stena International, Stena Line and Carillion plc (to December 2004)

Positions held in 2003

Positions and appointments held in French companies

- Chairman of the Supervisory Board of Vallourec and Stena Maritime
- Member of the Supervisory Board of Peugeot
- Director of Bolloré Investissement, SNEF, Seabulk, Sea-invest France, ValTubes and Sopretac (representing Vallourec)

Positions and appointments held in foreign companies

- Member of the Advisory Board of V & M do Brasil
- Director of SDV Cameroun, Carillion plc, Stena International, Stena Line and Stena UK (to September 2003)

Patrick BOISSIER

Date of first appointment: 15 June 2000

Date appointment most recently renewed: 1 June 2006

Date of appointment as Vice-Chairman of the Supervisory Board: 18 April 2005

Member of the Appointments and Remuneration Committee within the Supervisory Board

Date on which appointment ceases: General Meeting called to approve the financial statements for the financial year 2010

Date of birth: 18 February 1950

Business address

Cegelec

72, avenue de la Liberté

92739 Nanterre Cedex

Expertise and managerial experience

Former pupil of the Ecole Polytechnique

20 years' managerial experience with industrial companies in the iron and steel, capital goods and shipbuilding sectors

Positions held in 2007

Positions and appointments held in French companies

- CEO of Cegelec
- Chairman and CEO of Chantiers de l'Atlantique, Alstom Leroux Naval and AMR
- Vice-Chairman of the Supervisory Board of Vallourec
- Director of Institut Français de la Mer
- Director of Sperian Protection (formerly Bacou-Dalloz)
- Member of the Supervisory Board of Stéria

Positions held in 2006

Positions and appointments held in French companies

- Chairman and CEO of Chantiers de l'Atlantique, Alstom Leroux Naval and AMR
- Vice-Chairman of the Supervisory Board of Vallourec
- Chairman of Chambre syndicale des Constructeurs de navires
- Director of Institut Français de la Mer, Ecole des Mines de Nantes, Bacou-Dalloz and Aker Yard
- Member of the Supervisory Board of Stéria

Positions held in 2005

Positions and appointments held in French companies

- Chairman and CEO of Chantiers de l'Atlantique, Alstom Leroux Naval and Ateliers de Montoir
- Chairman of Chambre syndicale des Constructeurs de navires
- Director of Société Nationale de Sauvetage en Mer (SNSM), Institut Français de la Mer and Ecole des Mines de Nantes
- Member of the Supervisory Board of Vallourec and Stéria

Positions held in 2004

Positions and appointments held in French companies

- Chairman and CEO of Chantiers de l'Atlantique, Alstom Leroux Naval and Ateliers de Montoir
- Chairman of Chambre syndicale des Constructeurs de navires
- Director of Société Nationale de Sauvetage en Mer (SNSM), Institut Français de la Mer, Ecole des Mines de Nantes and Stéria
- Member of the Supervisory Board of Vallourec

Positions held in 2003

Positions and appointments held in French companies

- Chairman and CEO of Chantiers de l'Atlantique, Alstom Leroux Naval and Ateliers de Montoir
- Chairman of Chambre syndicale des Constructeurs de navires
- Director of Société Nationale de Sauvetage en Mer (SNSM), Institut Français de la Mer, Ecole des Mines de Nantes and Stéria
- Member of the Supervisory Board of Vallourec

Philippe CROUZET

Date of first appointment: 10 April 2008

Date appointment most recently renewed: N/A

Date on which appointment ceases: 4 June 2008 (the renewal of the appointment for four years is the subject of the sixth resolution)

Date of birth: 18 October 1956

Business address

Saint Gobain Distribution Bâtiment

Les Miroirs

18, rue d'Alsace

92096 Paris la Défense Cedex

Expertise and managerial experience

Former pupil of the Ecole Nationale d'Administration

Counsel (*maître des requêtes*) to the Conseil d'Etat

22 years' experience with the Saint-Gobain Group

Positions held in 2007

Positions and appointments held in French companies

- Chairman of Saint-Gobain Distribution Bâtiment
- Chairman of the Supervisory Board of Point P
- Chairman of the Supervisory Board of Lapeyre

Positions and appointments held in foreign companies

- Member of the Supervisory Board of Raab Karcher Baustoffe (Germany)
- Director of Saint-Gobain Cristaleria (Spain)
- Director of Saint-Gobain Building Distribution (United Kingdom)
- Chairman of the Board of Directors of Dahl International (Sweden)
- Director of Norandex Distribution. (United States)

Positions held in 2006

Positions and appointments held in French companies

- Chairman of Saint-Gobain Distribution Bâtiment
- Chairman of the Supervisory Board of Point P
- Chairman of the Supervisory Board of Lapeyre

Positions and appointments held in foreign companies

- Member of the Supervisory Board of Raab Karcher Baustoffe (Germany)
- Director of Saint-Gobain Cristaleria (Spain)
- Director of Saint-Gobain Building Distribution (United Kingdom)
- Chairman of the Board of Directors of Dahl International (Sweden)

Positions held in 2005

Positions and appointments held in French companies

- Chairman of Saint-Gobain Distribution Bâtiment
- Chairman of the Supervisory Board of Point P
- Chairman of the Supervisory Board of Lapeyre

Positions and appointments held in foreign companies

- Member of the Supervisory Board of Raab Karcher Baustoffe (Germany)
- Director of Saint-Gobain Cristaleria (Spain)
- Director of Saint-Gobain Building Distribution (United Kingdom)
- Chairman of the Board of Directors of Dahl International (Sweden)

Positions held in 2004

Positions and appointments held in foreign companies

- Director of Saint-Gobain Cristaleria (Spain)
- Director of Saint-Gobain KK (Japan)
- Director of Saint-Gobain GNO (India)

Positions held in 2003

Positions and appointments held in foreign companies

- Director of Saint-Gobain Cristaleria (Spain)
- Director of Saint-Gobain KK (Japan)
- Director of Saint-Gobain GNO (India)

Michel de FABIANI

Date of first appointment: 10 June 2004

Date on which appointment ceases: General Meeting called to approve the financial statements for the financial year 2009

Member of the Appointments and Remuneration Committee within the Supervisory Board

Date of birth: 17 June 1945

Business address

None

Expertise and managerial experience

Chairman of BP France from 1995 to 2004

Vice-President of BP Europe from 1997 to 2004

CEO joint-venture BP Mobil Europe from 1997 to 2001

CFO BP Europe from 1991 to 1994

Positions held in 2007

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec
- Director of BP France and Rhodia
- Vice-Chairman of the Franco-British Chamber of Commerce

Positions and appointments held in foreign companies

- Director of EBtrans Luxembourg, Star Oil Mali and Sems Maroc
- Chairman of Hertford British Hospital Corporation

Positions held in 2006

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec
- Director of BP France and Rhodia

Positions and appointments held in foreign companies

- Director of EBtrans Luxembourg, Star Oil Mali and Sems Maroc

Positions held in 2005

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec
- Member of the Board of Directors of BP France, Institut Français du Pétrole and Rhodia

Positions and appointments held in foreign companies

- Member of the Board of Directors of Star Oil Mali, Sems Maroc and EBtrans Luxembourg

Positions held in 2004

Positions and appointments held in French companies

- Chairman of the Board of Directors of BP France
- Member of the Supervisory Board of Vallourec (from 10 June 2004)
- Member of the Board of Directors of Institut Français du Pétrole and Rhodia

Positions and appointments held in foreign companies

- Member of the Board of Directors of Star Oil Mali

Positions held in 2003

Positions and appointments held in French companies

- Chairman of the Board of Directors of BP France
- Member of the Board of Directors of Institut Français du Pétrole and Rhodia (from 1 May 2003)
- Member of the Board of Directors or Supervisory Board of BP Europe's subsidiaries

Denis GAUTIER-SAUVAGNAC

Date of first appointment: 7 February 1997

Date appointment most recently renewed: 1 June 2006

Date on which appointment ceases: General Meeting called to approve the financial statements for the financial year 2010

Member of the Appointments and Remuneration Committee within the Supervisory Board

Date of birth: 28 May 1943

Business address

UIMM

56 avenue de Wagram

75017 Paris

Expertise and managerial experience

Graduate of the École nationale d'administration (1967) and General Inspector of Finance COO of an agri-food group (1979-1985) and CEO of the French subsidiary of a UK merchant bank (1990-1993)

Positions held in 2007

Positions and appointments held in French companies

- President of UIMM (until November 2007)
- Managing Director of UIMM

- Vice-Chairman of the Board of Directors of UNEDIC (end January 2008)
- Chairman and CEO of Capitole Europe
- Member of the Economic and Social Council
- Member of the Supervisory Board of France Conventions and Vallourec
- Member of the Executive Board of MEDEF (until December 2007)

Positions held in 2006

Positions and appointments held in French companies

- President and Managing Director of UIMM
- Vice-Chairman of the Board of Directors of UNEDIC
- Chairman and CEO of Capitole Europe
- Member of the Economic and Social Council
- Member of the Supervisory Board of France Conventions and Vallourec
- Member of the Executive Board of MEDEF

Positions held in 2005

Positions and appointments held in French companies

- Vice-President and Managing Director of UIMM
- Chairman of the Board of Directors of UNEDIC
- Chairman and CEO of Capitole Europe
- Member of the Supervisory Board of France Conventions SA and Vallourec
- Member of the Executive Board of MEDEF

Positions held in 2004

Positions and appointments held in French companies

- President and Managing Director of UIMM
- Chairman of the Board of Directors of UNEDIC
- Chairman and CEO of Capitole Europe
- Member of the Supervisory Board of France Conventions and Vallourec
- Member of the Executive Board of MEDEF
- Chairman GPA Relations du Travail

Positions held in 2003

Positions and appointments held in French companies

- President and Managing Director of UIMM
- Vice-President of the Board of Directors of UNEDIC
- Chairman and CEO of Capitole Europe
- Member of the Supervisory Board of France Conventions and Vallourec

François HENROT

Date of first appointment: 8 June 1999

Date appointment most recently renewed: 7 June 2005

Date on which appointment ceases: General Meeting called to approve the financial statements for the financial year 2010

Member of the Strategy Committee

Date of birth: 3 July 1949

Business address

Banque Rothschild & Cie
23 bis, avenue de Messine
75008 Paris

Expertise and managerial experience

COO then Chairman of the Management Board of Compagnie Bancaire (1985-1995)
Member of the Supervisory Board of Paribas and Chairman of the Supervisory Board of Crédit du Nord (1995-1997)

Positions held in 2007

Positions and appointments held in French companies

- Managing partner of Rothschild & Cie Banque and Rothschild & Cie
- Member of the Supervisory Board of Vallourec, Cogedim and 3 Suisses
- Director of Eramet (to 7 March 2007)

Positions held in 2006

Positions and appointments held in French companies

- Managing partner of Rothschild & Cie Banque and Rothschild & Cie
- Member of the Supervisory Board of Vallourec, Cogedim and 3 Suisses
- Director of Eramet

Positions held in 2005

Positions and appointments held in French companies

- Managing partner of Rothschild & Cie Banque and Rothschild & Cie
- Director of Eramet
- Member of the Supervisory Board of Cogedim and Vallourec

Positions held in 2004

Positions and appointments held in French companies

- Managing partner of Rothschild & Cie Banque and Rothschild & Cie
- Director of Carrefour and Eramet
- Member of the Supervisory Board of Cogedim, Pinault-Printemps-Redoute and Vallourec

Positions held in 2003

Positions and appointments held in French companies

- Managing partner of Rothschild & Cie Banque and Rothschild & Cie
- Director of Carrefour and Eramet
- Member of the Supervisory Board of Cogedim, Pinault-Printemps-Redoute and Vallourec

Edward-Georg KRUBASIK

Date of first appointment: 6 March 2007

Date appointment most recently renewed: N/A

Date on which appointment ceases: General Meeting called to approve the financial statements for the financial year 2009

Member of the Finance Committee within the Supervisory Board

Chairman and Member of the Strategy Committee within the Supervisory Board

Date of birth: 19 January 1944

Business address

Maximilian Strasse 35 A

D – 80539 Munich (Germany)

Expertise and managerial experience

Doctor of nuclear physics (Karlsruhe), researcher at Stanford University, MBA from Insead at Fontainebleau, Honorary professor at Munich University

Consultant at McKinsey for 23 years (1973-1996)

Member of the Executive Committee of Siemens AG (1997 – 2006), Vice-Chairman of the Federation of German Industries from 2004 and Chairman of the Federation of the Electrical and Electronics Industry (2004 – 2007), Chairman of Orgalime (2006-2007)³

Positions held in 2007

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec

Positions and appointments held in foreign companies

- Chairman of the Federation of the Electrical and Electronics Industry, Orgalime and the Federal Committee for Development and Innovation
- Vice-Chairman of the Federation of German Industries
- Member of the Supervisory Board of Dresdner Bank
- Member of the Government Federal Commission for Development and of the High Committee of the European Commission for Energy, the Environment, Industry and Competition

Positions held in 2006

Positions and appointments held in French companies

- Chairman of the Board of Directors of Siemens France

Positions and appointments held in foreign companies

- Chairman of the Supervisory Board of Siemens VDO
- Chairman of the Federation of the Electrical and Electronics Industry, Orgalime and the Federal Committee for Development and Innovation
- Vice-Chairman of the Federation of German Industries
- Director of Siemens
- Member of the Supervisory Board of Dresdner Bank and Siemens Norge (Oslo)
- Member of the Government Federal Commission for Development and of the High Committee of the European Commission for Energy, the Environment, Industry and Competition

Positions held in 2005

Positions and appointments held in French companies

- Chairman of the Board of Directors of Siemens France

Positions and appointments held in foreign companies

- Chairman of the Supervisory Board of Siemens VDO
- Chairman of the Federation of the Electrical and Electronics Industry, Orgalime and the Federal Committee for Development and Innovation
- Vice-Chairman of the Federation of German Industries
- Director of Siemens
- Member of the Supervisory Board of Dresdner Bank and Siemens Norge (Oslo)

Positions held in 2004

Positions and appointments held in French companies

- Chairman of the Board of Directors of Siemens France

Positions and appointments held in foreign companies

- Chairman of the Supervisory Board of Siemens VDO
- Chairman of the Federation of the Electrical and Electronics Industry
- Vice-Chairman of the Federation of German Industries
- Director of Siemens
- Member of the Supervisory Board of Dresdner Bank, Siemens-Elema (Stockholm) and Siemens Norge (Oslo)
- Advisor to Conference Board

Positions held in 2003

Positions and appointments held in French companies

- Chairman of the Board of Directors of Siemens France

Positions and appointments held in foreign companies

- Chairman of the Supervisory Board of Mannesmann Sachs, Mannesmann Plastics Machinery, Siemens VDO, Siemens Dematic and Siemens Brussels
- Vice-Chairman of the Federation of the Electrical and Electronics Industry
- Director of Siemens
- Member of the Supervisory Board of Dresdner Bank and Siemens Norge (Oslo)
- Advisor to Conference Board

Thierry MARRAUD

Date of first appointment: 10 June 2004

Date on which appointment ceases: General Meeting called to approve the financial statements for the financial year 2009

Member of the Finance Committee within the Supervisory Board

Date of birth: 30 April 1942

Business address

Tour Bolloré

31-32 quai de Dion Bouton

92811 Puteaux

Expertise and managerial experience

30 years at the Saint-Gobain Group: Group CFO and COO mechanical paper and packaging division

5 years as Executive Member of Crédit Lyonnais (1995-2000), CEO of Marsh MacLennan France (2001-2002) and CFO of Bolloré group since 2003

Positions held in 2007

Positions and appointments held in French companies

- Chairman of Financière de Sainte-Marine and Financière de Douarnenez
- Director of Havas
- Member of the Supervisory Board of Emin Leydier
- Member of the Supervisory Board of Euromedia Group (EMG)
- Bolloré permanent representative on the Board of Directors of Financière de Cézembre

- Compagnie du Cambodge permanent representative on the Board of Directors of IER
- Financière de l'Odet permanent representative on the Board of Directors of SFDM and SAGA
- Financière de Sainte-Marie permanent representative on the Supervisory Board of Vallourec
- Financière V permanent representative on the Board of Directors of Bolloré

Positions and appointments held in foreign companies

- Director of Sorebol (Luxembourg) and JSA Holding BV (Netherlands)

Positions held in 2006

Positions and appointments held in French companies

- Chairman of Financière de Sainte-Marine and Financière de Douarnenez
- Director of Havas
- Member of the Supervisory Board of Emin Leydier
- Bolloré permanent representative on the Board of Directors of Financière de Cézembre
- Compagnie du Cambodge permanent representative on the Board of Directors of IER
- Financière de l'Odet permanent representative on the Board of Directors of Société Française de Production, SFDM and SAGA
- Financière de Sainte-Marie permanent representative on the Supervisory Board of Vallourec
- Financière V permanent representative on the Board of Directors of Bolloré

Positions and appointments held in foreign companies

- Director of Sorebol (Luxembourg) and JSA Holding (Netherlands)

Positions held in 2005

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec, representing Société Financière de Sainte-Marine
- Member of the Supervisory Board of Emin Leydier
- Director of Havas
- Director of Bolloré Investissement and Financière V permanent representative
- Bolloré permanent representative on the Board of Directors of SFDM
- Compagnie du Cambodge permanent representative at IER
- Financière de l'Odet permanent representative at Saga

Positions and appointments held in foreign companies

- Director of Sorebol

Positions held in 2004

Positions and appointments held in French companies

- Chairman and CEO of Financière de Sainte-Marine
- Financière de l'Odet permanent representative at S.F.P.
- Member of the Supervisory Board of Vallourec, representing Société Financière de Sainte-Marine
- Member of the Supervisory Board of Emin Leydier
- Member of the Supervisory Board of Atria Capital Partenaires

Positions held in 2003

Positions and appointments held in French companies

- Member of the Supervisory Board of Emin Leydier
- Member of the Supervisory Board of Atria Capital Partenaires

Jean-Claude VERDIERE

Date of first appointment: 1 July 2001

Date appointment most recently renewed: 6 June 2007

Date on which appointment ceases: 31 December 2009 (General Meeting called to approve the financial statements for the financial year 2009)

Chairman of the Finance Committee within the Supervisory Board

Member of the Strategy Committee within the Supervisory Board

Date of birth: 11 April 1938

Business address

None

Expertise and managerial experience

Former pupil of the Ecole Polytechnique

40 years in the Vallourec Group, mainly in finance/management control

Member of the Management Board and COO of Vallourec from 1994 to 2001

Positions held in 2007

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec
- Member of the Board of Directors of Vallourec & Mannesmann Tubes

Positions held in 2006

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec
- Member of the Board of Directors of ValTubes (to 29 December 2006) and of Vallourec & Mannesmann Tubes (from 15 March 2006)

Positions held in 2005

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec
- Member of the Board of Directors of ValTubes

Positions held in 2004

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec
- Member of the Board of Directors of Valtubes and Sopretac

Positions held in 2003

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec
- Member of the Board of Directors of Valtubes and Sopretac

Members of the Management Board

Pierre VERLUCA

Date of first appointment: 12 December 2000

Date of appointment as Chairman of the Management Board: 10 June 2004

Date on which appointment ceases: General Meeting called to approve the financial statements for the financial year 2007

Date of birth: 22 January 1944

Business address

Vallourec

27, avenue du Général Leclerc

92100 Boulogne-Billancourt

Expertise and managerial experience

Head of production at Ugine Kuhlmann from 1967 to 1973

CFO of SADEC (Portugal) from 1973 to 1975

Member of the Management Board of Vallourec since December 2000

Positions held in 2007

Positions and appointments held in French companies (all Vallourec Group companies)

- Chairman of the Management Board of Vallourec
- Chairman of V & M France and Vallourec & Mannesmann Tubes
- Director of Vallourec Mannesmann Oil & Gas France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Supervisory Board of V & M Deutschland
- Chairman of the Board of Directors of V & M Holdings
- Vice-President of Vallourec Inc.
- CEO of V & M Holdings Inc. and Vallourec Industries Inc.
- Managing Director of Finalourec
- Director of V & M do Brasil and Vallourec Tubes Canada
- Member of the Executive Committee of V & M Star

Positions held in 2006

Positions and appointments held in French companies (all Vallourec Group companies)

- Chairman of the Management Board of Vallourec
- Chairman of V & M France, Vallourec & Mannesmann Tubes and ValTubes (to 29 December 2006)
- Director of Valtimet and Vallourec Mannesmann Oil & Gas France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Supervisory Board of V & M Deutschland
- Chairman of the Advisory Board of V & M do Brasil (to 15 October 2006)

- Chairman of the Board of Directors of V & M Holdings, Vallourec Inc. and Vallourec Industries Inc.
- Managing Director of Finalourec
- Director of V & M do Brasil and Vallourec Tubes Canada
- Member of the Executive Committee of V & M Star

Positions held in 2005

Positions and appointments held in French companies (all Vallourec Group companies)

- Chairman of the Management Board of Vallourec
- Chairman of V & M France, Vallourec & Mannesmann Tubes and ValTubes (formerly Sopretac)
- Director of Valtimet and Vallourec Mannesmann Oil & Gas France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Supervisory Board of V & M Deutschland
- Chairman of the Advisory Board of V & M do Brasil
- Chairman of the Board of Directors of V & M Holdings, Vallourec Inc. and Vallourec Industries Inc.
- Managing Director of Finalourec
- Director of V & M do Brasil and Vallourec Tubes Canada
- Member of the Executive Committee of V & M Star

Positions held in 2004

Positions and appointments held in French companies (all Vallourec Group companies)

- Chairman of the Management Board of Vallourec (from 10 June 2004, a Member prior to that date)
- Chairman of V & M France (from 10 June 2004, Member of the Board prior to that date), Vallourec & Mannesmann Tubes (from 11 June 2004, Member of the Board prior to that date), Sopretac (now ValTubes) (from 29 June 2004, Member and Director prior to that date), Valtubes (from 29 June 2004 until 16 December 2004, Member and Director prior to that date)
- Director of Valtimet and Vallourec Mannesmann Oil & Gas France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Supervisory Board of V & M Deutschland (from 25 June 2004, Member of the Board prior to that date)
- Chairman of the Advisory Board of V & M do Brasil (from 15 October 2004)
- Chairman of the Board of Directors of V & M Holdings (from 10 June 2004, Director prior to that date), Vallourec Inc. and Vallourec Industries Inc.
- Managing Director of Finalourec
- Director of V & M do Brasil and Vallourec Tubes Canada
- Member of the Executive Committee of V & M Star

Positions held in 2003

Positions and appointments held in French companies (all Vallourec Group companies)

- Member of the Management Board of Vallourec
- Member and Director of Sopretac and Valtubes
- Director of Vallourec & Mannesmann Tubes, Vallourec Mannesmann Oil & Gas France, Vallourec Composants Automobiles Hautmont, Vallourec Composants Automobiles Vitry, Vallourec Précision Étirage, Vallourec Précision Soudage, Valti and Valinox Nucléaire (to 7 February 2003)
- Member of the Board of V & M France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Board of Directors of V & M do Brasil
- Managing Director of Finalourec
- Director of V & M Holdings, Vallourec Tubes Canada, VAM PC, Vallourec Industries Inc., Vallourec Inc. and Vallourec Mannesmann Oil & Gas UK
- Member of the Supervisory Board of V & M Deutschland
- Member of the Executive Committee of V & M Star

Bertrand CANTEGRIT

Date of first appointment: 7 March 2006

Date on which appointment ceases: 31 December 2007 (General Meeting called to approve the financial statements for the financial year 2007)

Date of birth: 28 June 1950

Business address

Vallourec

27, avenue du Général Leclerc

92100 Boulogne

Expertise and managerial experience

Former pupil of the Ecole Polytechnique, Graduate of the Ecole des Mines de Paris Masters degree in business law and Higher Diploma in Accounting

33 years with the Vallourec Group (Human resources, management control, plant management and Chairman of various divisions)

Member of the Management Board responsible for finance, law and external communication

Positions held in 2007

Positions and appointments held in French companies (all Vallourec Group companies)

- Member of the Management Board of Vallourec
- Chairman and CEO of V & M Services
- Chairman of Interfit (to 16 February 2007), Valti (to 16 February 2007), Vallourec Composants Automobiles Hautmont, Vallourec Composants Automobiles Vitry (to 16 November 2007), Vallourec Précision Étirage (to 2 July 2007) and Vallourec Précision Soudage (to 16 November 2007)
- CEO of Vallourec & Mannesmann Tubes
- Director of Vallourec Mannesmann Oil & Gas France, Interfit, Valti and Valtimet (from 30 January 2007)
- Member of the Supervisory Board of V & M France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Manager of Valti GmbH
- Member of the Supervisory Board of V & M Deutschland
- Director of V & M do Brasil, Vallourec Industries Inc. (from 1 June 2007), V & M Holdings (from 1 June 2007) and Finalourec (from 7 June 2007)

Positions held in 2006

Positions and appointments held in French companies (all Vallourec Group companies)

- Member of the Management Board of Vallourec (with effect from 1 April 2006)
- Chairman and CEO of V & M Services (from 19 December 2006)
- Chairman of Escofier (to 23 May 2006), Interfit, Valti, Vallourec Composants Automobiles Hautmont, Vallourec Composants Automobiles Vitry, Vallourec Précision Étirage and Vallourec Précision Soudage

- CEO of Vallourec & Mannesmann Tubes (from 7 November 2006)
- Director of ValTubes (to 29 December 2006), Vallourec Mannesmann Oil & Gas France (from 26 September 2006)
- Member of the Supervisory Board of V & M France (from 7 November 2006)

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Manager of Valti GmbH
- Member of the Supervisory Board of V & M Deutschland (from 10 November 2006)
- Director of V & M do Brasil (from 24 March 2006) and Vallourec Italiana (to 10 October 2006)

Positions held in 2005

Positions and appointments held in French companies (all Vallourec Group companies)

- Chairman of Escofier, Interfit (from 9 September 2005), Valti, Vallourec Composants Automobiles Hautmont, Vallourec Composants Automobiles Vitry, Vallourec Précision Étirage and Vallourec Précision Soudage
- Director of ValTubes

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Manager of Valti GmbH
- Chairman of the Board of Directors of Vallourec Argentina (to 1 February 2005)
- Director of Vallourec Italiana

Positions held in 2004

Positions and appointments held in French companies (all Vallourec Group companies)

- Chairman of Escofier, Valti (from 28 May 2004), Vallourec Composants Automobiles Hautmont, Vallourec Composants Automobiles Vitry, Vallourec Précision Étirage (from 14 June 2004) and Vallourec Précision Soudage (from 14 June 2004)
- Director of ValTubes

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Manager of Valti GmbH (from 3 September 2004)
- Chairman of the Board of Directors of Vallourec Argentina
- Director of Vallourec Italiana (from 1 September 2004)

Positions held in 2003

Positions and appointments held in French companies (all Vallourec Group companies)

- Chairman of Escofier, Vallourec Composants Automobiles Hautmont and Vallourec Composants Automobiles Vitry
- Director of Sopretac, Valtubes, Valti, Vallourec Précision Étirage and Vallourec Précision Soudage

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Board of Directors of Vallourec Argentina

Marco Antônio CASTELLO BRANCO

Date of first appointment: 7 March 2006

Date on which appointment ceases: General Meeting called to approve the financial statements for the financial year 2007

Date of birth: 19 August 1960

Business address

Vallourec

27, avenue du Général Leclerc
92100 Boulogne

Expertise and managerial experience

Metallurgy research in Belo Horizonte (Brazil), Engineering diploma in Clausthal-Zellerfeld (Germany), Doctorate in engineering in Clausthal-Zellerfeld (Germany)
CEO of blast furnaces in 1992 then Chairman and CEO of V & M do Brasil in 2000
Member of the Management Board and Chairman of the hot-rolled tubes division

Positions held in 2007

Positions and appointments held in French companies (all Vallourec Group companies)

- Member of the Management Board of Vallourec
- Chairman of the Management Board of V & M France
- CEO of Vallourec & Mannesmann Tubes
- Director of Vallourec Mannesmann Oil & Gas France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Board of Directors and Chairman of the Advisory Board (from 27 March 2007) of V & M do Brasil
- Chairman of the Executive Board of V & M Deutschland (from 1 July 2007)
- Member of the Executive Committee of V & M Star (from 19 September 2007)
- Member of the Supervisory Board of HKM

Positions held in 2006

Positions and appointments held in French companies (all Vallourec Group companies)

- Member of the Management Board of Vallourec (with effect from 1 April 2006)
- Chairman of the Management Board of V & M France
- CEO and Director of Vallourec & Mannesmann Tubes (from 7 November 2006)
- Director of Vallourec Mannesmann Oil & Gas France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Board of Directors of V & M do Brasil
- Manager of V & M Deutschland
- Director of V & M Tubes Corporation
- **Member of the Supervisory Board of HKM**

Positions held in 2005

Positions and appointments held in French companies (all Vallourec Group companies)

- Chairman of the Management Board of V & M France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Board of Directors of V & M do Brasil
- Manager of V & M Deutschland
- Director of V & M Tubes Corporation
- Member of the Supervisory Board of HKM

Positions held in 2004

Positions and appointments held in French companies (all Vallourec Group companies)

- Chairman of the Management Board of V & M France (from 15 September 2004)

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Board of Directors of V & M do Brasil (from 19 July 2004)

- Manager of V & M Deutschland (from 25 June 2004)
- Director of V & M Tubes Corporation
- Member of the Supervisory Board of HKM (from 24 June 2004)

Positions held in 2003

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Management Board of V & M do Brasil
- Director of V & M Tubes Corporation

Jean-Pierre MICHEL

Date of first appointment: 7 March 2006

Date on which appointment ceases: General Meeting called to approve the financial statements for the financial year 2007

Date of birth: 17 May 1955

Business address

Vallourec

27, avenue du Général Leclerc

92100 Boulogne-Billancourt

Expertise and managerial experience

Former pupil of the Ecole Polytechnique, Institut Français de Gestion

Nearly 30 years with the Vallourec Group (plant management, management control and Chairman of various divisions)

Member of the Management Board with responsibility for management control and quality, marketing and purchasing and Chairman of the Oil & Gas and Speciality Products activities

Positions held in 2007

Positions and appointments held in French companies (all Vallourec Group companies)

- Member of the Management Board of Vallourec
- Chairman of Valtimet
- Manager of V & M One
- CEO of Vallourec & Mannesmann Tubes
- Director of Interfit, Valinox Asia, Valinox Nucléaire, Vallourec Composants Automobiles Vitry (to 16 November 2007), Vallourec Mannesmann Oil & Gas France, Vallourec Précision Étirage (to 2 July 2007), Vallourec Précision Soudage (to 16 November 2007), V & M Services, Valti (from 30 April 2007) and VAM Drilling France (from 14 February 2007)
- Member of the Supervisory Board of V & M France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Board of Directors of Vallourec Industries Inc.
- Member of the Supervisory Board of V & M Deutschland
- Director of V & M Holdings, VAM Drilling USA (formerly Omsco), V & M Tubes Corporation, Vallourec Mannesmann Oil & Gas UK and Vallourec Inc.
- Member of the Executive Committee of V & M Star and VAM USA

Positions held in 2006

Positions and appointments held in French companies (all Vallourec Group companies)

- Member of the Management Board of Vallourec (with effect from 1 April 2006)
- Chairman of Valtimet (from 29 December 2006)
- Manager of V & M One
- CEO of Vallourec & Mannesmann Tubes (from 7 November 2006)

- Director of Interfit, Valinox Asia, Valinox Nucléaire, ValTubes (to 29 December 2006), Vallourec Composants Automobiles Vitry, Vallourec Mannesmann Oil & Gas France, Vallourec Précision Étirage, Vallourec Précision Soudage and V & M Services (from 28 April 2006)
- Member of the Supervisory Board of V & M France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Board of Directors of Vallourec Industries Inc.
- Member of the Supervisory Board of V & M Deutschland
- Member of the Advisory Board of V & M do Brasil
- Director of V & M Holdings, Omsco, V & M Tubes Corporation and Vallourec Mannesmann Oil & Gas UK
- Member of the Executive Committee of V & M Star and VAM USA

Positions held in 2005

Positions and appointments held in French companies (all Vallourec Group companies)

- Manager of V & M One
- Director of Interfit, Valinox Asia, Valinox Nucléaire, ValTubes, Vallourec Composants Automobiles Vitry, Vallourec Mannesmann Oil & Gas France, Vallourec Précision Étirage and Vallourec Précision Soudage
- Member of the Supervisory Board of V & M France (from 21 June 2005)

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Board of Directors of Vallourec Industries Inc.
- Member of the Supervisory Board of V & M Deutschland (from 29 April 2005)
- Member of the Advisory Board of V & M do Brasil (from 30 September 2005)
- Director of V & M Holdings, Omsco (from 15 September 2005), V & M Tubes Corporation and Vallourec Mannesmann Oil & Gas UK
- Member of the Executive Committee of V & M Star and VAM PTS

Positions and appointments held in French companies that are not members of the Vallourec Group

- Director of Akantis SA

Positions held in 2004

Positions and appointments held in French companies (all Vallourec Group companies)

- Manager of V & M One (from 2 June 2004)
- Director of Interfit (from 28 May 2004), Valinox Asia (from 18 June 2004), Valinox Nucléaire (from 28 May 2004), ValTubes (from 29 June 2004), Vallourec Composants Automobiles Vitry (from 28 May 2004), Vallourec Mannesmann Oil & Gas France, Vallourec Précision Étirage (from 14 June 2004) and Vallourec Précision Soudage (from 14 June 2004)

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Board of Directors of Vallourec Industries Inc. and VAM PTS (to 12 November 2004)
- Director of V & M Holdings (from 10 June 2004), V & M Tubes Corporation and Vallourec Mannesmann Oil & Gas UK
- Member of the Executive Committee of V & M Star

Positions and appointments held in French companies that are not members of the Vallourec Group

- Director of Akantis SA

Positions held in 2003

Positions and appointments held in French companies (all Vallourec Group companies)

- Director of Vallourec Mannesmann Oil & Gas France

Positions and appointments held in foreign companies (all Vallourec Group companies)

- Chairman of the Board of Directors of Vallourec Industries Inc., VAM PTS and Vallourec Mannesmann Oil & Gas UK
- Manager of Vallourec Mannesmann Oil & Gas Germany
- Director of V & M Tubes Corporation and Pacific Tubulars
- Member of the Executive Committee of V & M Star

Positions and appointments held in French companies that are not members of the Vallourec Group

- Director of Akantis SA

Arnaud LEENHARDT

Censeur (non-voting consulting director)

Date of first appointment: 1 June 2006

Date on which appointment ceases: General Meeting held to approve the financial statements for the financial year 2009

Honorary Chairman

Date of first appointment: 15 June 2000

Date of birth: 16 April 1929

Business address

UIMM

56, avenue de Wagram

75017 Paris

Expertise and managerial experience

Former pupil of the Ecole Polytechnique

40 years with the Vallourec Group, mainly in plant management and general management

Chairman of Vallourec from 1981 to 2000

Positions held in 2007

Positions and appointments held in French companies

- Honorary Chairman and Censeur of the Supervisory Board of Vallourec
- Honorary Chairman of UIMM
- Member of the Supervisory Board of ODDO et Cie and Fives (formerly Fives-Lille)
- Director of AON France

Positions held in 2006

Positions and appointments held in French companies

- Honorary Chairman and Censeur of the Supervisory Board of Vallourec
- Honorary Chairman of UIMM
- Member of the Supervisory Board of ODDO et Cie and Fives (formerly Fives-Lille)
- Director of AON France

Positions held in 2005

Positions and appointments held in French companies

- Honorary Chairman of the Supervisory Board of Vallourec

- Honorary Chairman of UIMM
- Member of the Supervisory Board of ODDO et Cie and Fives (formerly Fives-Lille)
- Director of AON France

Positions held in 2004

Positions and appointments held in French companies

- Honorary Chairman of the Supervisory Board of Vallourec
- Honorary Chairman of UIMM
- Member of the Supervisory Board of ODDO et Cie and Fives (formerly Fives-Lille)
- Director of AON France

Positions held in 2003

Positions and appointments held in French companies

- Honorary Chairman of the Supervisory Board of Vallourec
- Honorary Chairman of UIMM
- Member of the Supervisory Board of ODDO et Cie and Fives (formerly Fives-Lille)
- Director of AON France

Luiz-Olavo BAPTISTA

Date of first appointment as a member of the Supervisory Board: 11 June 2002

The appointment of Mr Luiz-Olavo Baptista as Censeur for a period of 4 years will be proposed to the General Meeting on 4 June 2008 (seventh resolution)

Date on which appointment as a member of the Supervisory Board ceases: 10 April 2008

Date of birth: 24 July 1938

Business address

Avenue Paulista 1294, 8º Andar
01310-915 São Paulo SP (Brazil)

Expertise and managerial experience

Professor of International Law, Barrister at the São Paulo bar and International Arbitrator (WTO, ICSID, UNCC and ICC), Doctor of International Law at the Université de Paris I, Visiting Professor at the University of Michigan, the Université de Paris I and the Université de Paris X, Professor of Law and International Trade at the Faculty of São Paulo.

Has published more than twenty books on international law and commercial law. Company director. Arbitrator in international trade matters.

Positions held in 2007

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec

Positions and appointments held in foreign companies

- Member of the Advisory Board of V & M do Brasil
- Director of De La Ronce, Guala Closures do Brasi and Vale do Mogi
- Manager of Sofrel do Brasil
- Member of the Management Board of Opacco Holding, Tote Investments Holding, Bedford Investor C/V, Taro, Phipe Holding and Salorix Holding
- Member of the Board of Directors of LPS Brasil – Consultoria de Imóveis
- Member of the Board of Directors of São Martinho
- Member of the Board of Directors of Fundação Instituto de Administração

Positions held in 2006

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec

Positions and appointments held in foreign companies

- Member of the Advisory Board of V & M do Brasil
- Director of De La Ronce, Guala Closures do Brasil and Vale do Mogi
- Manager of Sofrel do Brasil
- Member of the Management Board of VDM Trading Limited (Ometto Group), Opacco Holding, Tote Investments Holding, Bedford Investor, Taro, Phipe Holding and Salorix Holding

Positions held in 2005

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec

Positions and appointments held in foreign companies

- Member of the Advisory Board of V & M do Brasil
- Chairman of the Board of Directors of Oxon Participações (until 31 October 2005)
- Director of De La Ronce, Guala Closures do Brasil and Vale do Mogi
- Manager of Sofrel do Brasil
- Member of the Management Board of VDM Trading Limited (Ometto Group), Opacco Holding, Tote Investments Holding, Bedford Investor, Taro, Phipe Holding and Salorix Holding
- Legal Official of Eagle River Holdings

Positions held in 2004

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec

Positions and appointments held in foreign companies

- Member of the Advisory Board of V & M do Brasil
- Chairman of the Board of Directors of Oxon Participações
- Director of De La Ronce, Guala Closures do Brasil and Vale do Mogi
- Manager of Sofrel do Brasil
- Member of the Management Board of VDM Trading Limited (Ometto Group), Opacco Holding, Tote Investments Holding, Bedford Investor, Taro, Phipe Holding and Salorix Holding
- Legal Official of Eagle River Holdings

Positions held in 2003

Positions and appointments held in French companies

- Member of the Supervisory Board of Vallourec

Positions and appointments held in foreign companies

- Member of the Advisory Board of V & M do Brasil
- Chairman of the Board of Directors of Oxon Participações
- Director of De La Ronce, Guala Closures do Brasil and Vale do Mogi
- Manager of Sofrel do Brasil
- Member of the Management Board of VDM Trading Limited (Ometto Group), Opacco Holding, Tote Investments Holding, Bedford Investor, Taro, Phipe Holding and Salorix Holding
- Legal Official of Eagle River Holdings

8.2 REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON THE CONDITIONS GOVERNING THE PREPARATION AND ORGANIZATION OF THE SUPERVISORY BOARD'S WORK AND ON THE INTERNAL CONTROL PROCEDURES IMPLEMENTED BY VALLOUREC

In accordance with the provisions of Article L. 225-68 of the *Code de commerce* (French Commercial Code), introduced by law no. 2003-706 of 1 August 2003 on financial security, the Chairman of Vallourec's Supervisory Board presents this report to the shareholders, detailing the conditions governing the preparation and organization of the Supervisory Board's work and the internal control procedures implemented by the Company.

A – Conditions governing the preparation and organization of the Supervisory Board's work

The internal regulations of the Supervisory Board, the situation of the Board members as regards the criteria of the Bouton report, the composition and operation of the three Committees (Finance Committee, Appointments and Remuneration Committee and Strategy Committee) set up within the Supervisory Board and the remuneration principles are detailed in Section 6 of the Reference Document for the year ended 31 December 2007 dealing with Corporate Governance, of which this report forms an integral part.

The number of meetings of the Board is normally set at four per year but additional meetings may be organized where circumstances so require. In 2007, the Board met six times. The average length of Board meetings is about three hours.

In order to ensure that Board members are able to attend meetings, the timetable of regular meetings is prepared very far in advance. For this reason, a meetings timetable for 2008 was prepared at the Board Meeting held on 31 July 2007. The effective attendance rate of Board members at meetings is very high: out of all the meetings held in 2007, only five absences were noted. Members who were unable to attend were, however, represented at all meetings, whether regular or exceptional. The members of the Management Board attended all meetings.

The arrangements for the meetings are confirmed about a fortnight in advance by means of a notice of the Meeting to which is attached the agenda and the draft minutes of the previous Meeting. Board members are invited to submit any comments they have in advance of the Board Meeting.

The Management Board circulates documents, in particular those of a financial nature, a few days in advance of Board Meetings, thereby enabling members to familiarize themselves with such documents before meetings. At meetings, a complete file incorporating the supporting documentation in respect of items on the agenda is given to each participant. This file also contains the Management Board's quarterly report to the Supervisory Board on the Company's performance, prepared in accordance with the provisions of Article L. 225-68, Section 4, of the *Code de commerce* (French Commercial Code). Where necessary, the Board relies on preliminary work carried out by the Committees.

Meetings are chaired by the Supervisory Board Chairman who ensures, in particular, that each member expresses his opinion on the most important matters. In the unusual case of a Board member having a personal interest in one of the matters under consideration as specified in Article L. 225-86 of the *Code de commerce* (French Commercial Code), he will be required to leave the Meeting while the matter concerned is being discussed.

In 2007, Vallourec's Statutory Auditors attended those Supervisory Board Meetings at which the annual, half-year and quarterly financial statements were approved.

After the first assessment of the operation of the Board carried out in 2003, a further assessment was carried out in 2006 based on an updated version of the same questionnaire. An analysis of the results, which was sent to Board members, shows a high level of satisfaction. Of particular note is the fact that most of the suggestions made in the questionnaires completed during the previous assessment had been implemented. A further assessment is being carried out in 2008.

In addition, the internal regulations of the Supervisory Board and of the Committees, which were originally drafted in April 2003, have been updated. The updated regulations were approved at the Supervisory Board Meeting held on 3 May 2007.



Société Anonyme
à Directoire et à
Conseil de Surveillance
au capital de 212 154 880 €

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