

**PROPOSAL FOR AGREEMENT ON THE
FIFTH POINT OF THE AGENDA**

"5.- Delegating in the Board of Directors the power to approve capital increase, to the maximum permitted by the legal provisions, attributing the power to exclude, or not, preemption rights, thus modifying article 5 of the Articles of Incorporation referring to share capital."

FIFTH.- In regards to the proposed grant to the Board of Directors of the power to increase capital as provided in article 153.1 b) of the Companies Act, including powers for the exclusion of preemption rights; an approval which is submitted to the General Stockholders' Meeting under Item 5 of the Agenda, in accordance with Articles 144.1.a), 153.1 and 159.2 of the current Companies Act, the Board reported that:

Considering the provisions of the Companies Act by virtue of which the General Meeting may authorize and grant the Board of Directors the power to agree one or more times the increase of share capital up to a specific figure, under the circumstances and to the extent that it may decide, provided that in no case this may exceed half the Company's share capital at the time of authorization. This shall be made by means of financial contributions within a maximum period of five years starting from the Board's decision, the Board considers the convenience of presenting the proposed agreement at the General Meeting, due to the desirability that the Board has certain instruments and procedures in accordance with corporate law without having to issue a new notice for a Stockholders' Meeting.

Taking into account the circumstances and conjunctures of business in which the TUBACEX Group operates it is necessary for its Governing body to give a comprehensive response to needs arising from trade. It is also a key issue for the Company to be in perfect conditions to meet the demands of new investments.

However, given the difficulty of specifying in advance what may be the Company's specific needs when considering a capital increase, and taking into account the inevitable delays and the increase of costs resulting from the calling of a General Meeting whenever it is desirable to increase capital preventing the Company from giving an adequate response to the market's needs it is convenient for the Board to be authorized to use the instruments of authorized capital in compliance with the provisions of the Companies Act which enables Company to grant the Board of Directors such agile and flexible instruments to address the needs of the Company in relation to the markets' circumstances.

In sight of the above, we have drawn up this report that is presented at the Stockholders' General Meeting with the proposal to grant the Board the power to approve the capital increase in the maximum amount of half the current share capital, this is, the maximum amount of € 29,920,225.95, this figure is equivalent to 50% of the Company's capital; granting the Board powers to carry out as many formalities as are required for the admission to trading of the stocks issued in execution of this agreement.

Similarly, and by virtue of the provisions of article 159.2 of the Companies Act, we inform that the power of the Board of Directors to a share capital increase referred to in this report also includes the power of the directors to exclude or not, all or part of the preferential subscription rights of the stockholders when the Company's interest so requires. This proposal for exclusion must be justified by the directors by virtue of a report to be made available to the stockholders and, likewise, the Board must request the Trade and Industry Register of Álava the appointment of a different auditor to issue the report required by article 159.2 of the Companies Act relating to each particular issuance should match the nominal value of stocks to be issued plus, where appropriate, the amount of premium to fair value resulting from the auditor's report of the accounts that will also refer to the theoretical value of the preemption rights which we propose to eliminate and the reasonableness of the data included in the Directors' Report.

Both reports will be made available to the stockholders and shall be reported at the first General Meeting be held after the second offering agreement.