

FIFTH AGENDA ITEM AGREEMENT PROPOSAL

“ ***FIFTH.- Approval of an incentive scheme for the Management Team.***

Approve, once the existing loyalty program based on share options is no longer in force, an incentive scheme for the CEO and the members of the Management Committee aimed at strengthening the commitment of executives playing higher responsibility roles in the achievement of the strategic targets for the Organization and its Group.

For this purpose, the type of incentives for the CEO (in as much as he/she is an executive member of the Board of Directors of the Organization) and for other members of the Management Committee are clearly differentiated.

A. Incentive Plan for the CEO

Offering a plan of options regarding the Organization shares for the CEO has been agreed pursuant to the following terms:

Number of options: 500,000 call option rights on TUBACEX shares. Each option will entitle the CEO to acquire one Organization share.

Strike price: The strike price will be two (2) Euros per share.

Exercise date: The option can be exercised during March 2018.

Right of conveyance: Options will not be conveyable *inter vivos* but *mortis causa* in favor of the legal successors of the beneficiary in the corresponding proportion in relation to the time during which the beneficiary has had a working relationship with TUBACEX.

B. Incentive Plan for Management Committee members:

Pursuant to the provisions of article 150.2 of the Corporations Act, offering a loan to the Management Committee members for the global acquisition of up to 1,200,000 TUBACEX shares by all of them (in the Company price regulation) at a unit price of €2 per share and with the limit of 120.000 shares per person has been agreed.

The loan maturity date will be March 31st 2018, when the amount shall be fully amortized either through cash payment or by submission to the Organization of all the shares acquired through the loan.

During the loan validity period, Tubacex will have a right of pledge over the shares and the borrowers will also undertake not to dispose, convey, transfer or mortgage the shares acquired pursuant thereto unless express prior written consent is provided by Tubacex.

The termination of the work relationship with the Borrower at the request of the Borrower will result in the anticipated amortization of the loan.

C. Common provisions:

Delegating express replacement powers to the Board of Directors has been agreed, for the implementation at the most convenient time and format, formalize, amend and execute the different incentive scheme versions, entering into as many agreements and signing as many public or private documents as may be necessary or convenient to guarantee full efficiency with the power to correct, modify, amend and supplement and in general to implement agreements and carry out any actions considered necessary or simply convenient for the successful implementation and operation of incentive schemes including but not limited to the following powers:

- a) Establish specific conditions of incentive schemes and award and exercise of rights included therein, determination of the corresponding beneficiaries for each scheme, terms and conditions for the award or exercise of rights and verification or compliance with them, rights awarded through their beneficiary status, levels of performance for each parameter set forth as a target, consequences from the loss of employee, director or board member status of the Organization or Group, or a change of control, determine the causes of an anticipated liquidation, etc;
- b) Draft, sign and present before any public or private body, the beneficiaries or any other third party, the complementary documentation and communications required or convenient in terms of implementation and execution of incentive schemes, the concession or rights and incentive delivery, including, if necessary the corresponding prior communications and information literature; as well as corresponding loan agreements for the acquisition or shares foreseen in the scheme;
- c) Perform any action, arrangement or declaration before any public or private person, body or register, to achieve the authorizations and verifications required;
- d) Draft and publish as many adverts as may be necessary or convenient;
- e) And, in general, carry out as many actions and execute as many documents as may be required or convenient for the full validity and efficiency of the establishment, implementation, operation, execution, liquidation and successful performance of the incentive schemes and agreements previously reached."

The English version is a translation of the original in Spanish for information purposes only. In case of a discrepancy, the Spanish original will prevail.
