

**FIRST.- APPROVAL IF APPROPRIATED THE ANNUAL ACCOUNT, NON FINANCIAL STATEMENT, ALLOCATION OF PROFIT/LOSSES AND SOCIAL MANAGEMENT**

**1.1. STUDY AND APPROVAL, IF APPROPRIATE, OF THE CONSOLIDATED AND INDIVIDUAL ANNUAL ACCOUNTS AS WELL AS THE MANAGEMENT REPORTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER, 2018**

A) Approval of the individual and consolidated Annual Accounts for the fiscal year 2018, comprised of the Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement and the Company's Report in accordance with articles 257, 260, 524 and 525 of the Corporations Act.

B) Approval of the Management Report (which includes the Company's Annual Corporate Governance Report in accordance to the article 538 of the Corporations Act) drawn up pursuant to art. 262 and 526 of the Corporations Act, thus complying with the review and report conducted during the Audit of accounts by the Deloitte, S.L., on these Annual Accounts and Management Report, according to the provisions of article 263.1 of the same Act, by virtue of which the Board of Directors is expressly exempted of any liability that might arise from their work during the year 2018 and that is reflected in the documentation previously sanctioned, notwithstanding the provisions of article 237 of the aforementioned Corporations Act.

C) Determination of the economic results of the year 2018 which represents, according to the respective operating accounts, individual and consolidated, included in the Audit Report, an individual result amounting of 13.669 thousand euros and a consolidated result of 17.385 thousand euros.

D) Leave express record that the aforementioned Annual Accounts, Management Report and the Auditors' Audit Report have also been drawn up on a consolidated basis, having been presented before the General Meeting which in turn has approved them as provided in articles 171.1 and 203.1 of Legislative Royal Decree 1,564/89 of December 22, by Arts. 44 and following in the Commercial Code and under the provisions of the Royal Decree 1,815/91 of December 20, inasmuch the Company is immersed in the circumstances foreseen in article 4 of Act 24/1,988 of July 28, article 42 of the Code of Commerce and the articles 1 to 5 of Royal Decree 1,815/91 on the following significant entities within the group:

<b><u>CORPORATE NAME</u></b>	<b><u>TAX Id No.</u></b>
1. - Tubacex Tubos Inoxidables, S.A.U.	A-01140227
2. - Tubacex Taylor Accesorios, S.A.U.	A-01006741
3. - Comercial de Tubos y Accesorios Especiales, S.A.U.	A-48061824
4. - Tubos Mecánicos, S.A.U.	A-08034689
5. - Aceria de Alava, S.A.U.	A-01010958
6. - Salem Tube Inc	25-1651664
7. - Sber GmbH (Austria)	ATU-41013808
8. - Tubacex Service Solutions France, S.A.S.	441171 147 RCS VAT-41
9.- IBF S.p.A	02941900165
10.-Tubacex Prakash	U28113MH2015PTC263656

Also in regards to the documentation above, as specified in this agreement, it is stated by their signature, that they have observed and complied with the provisions of article 253 of the Corporations Act, of articles 47 and 44.8 of the Commercial Code and art. 330 of the Regulations of the Chamber of Trade and Industry, as well as both Audit reports, individual and consolidated, dated on 27 February, 2019.

## **1.2 APPROVAL THE NON FINANCIAL INFORMATION STATEMENT INCLUDED AS AN ANNEX OF THE CONSOLIDATED MANAGEMENT REPORT**

To approve, if appropriate the non financial information statement in regard with 2018 financial year as according to the 11/2018 Law of non information information and diversity.

## **1.3 APPROVAL THE PROPOSAL OF ALLOCATION PROFIT / LOSSES FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2018**

Application of the result of the fiscal year 2017 as follows:

- A. Ratify the payment of interim dividends of fiscal year 2019 of 3,000 thousand Euros issued on 18<sup>th</sup> January 2019 approved by the Board of Directors on 19<sup>th</sup> December 2018.
- B. Approve the distribution of a supplementary dividend for a total gross amount of 3,000 thousand Euros to be made effective on 3<sup>RD</sup> June 2019.
- C. Add 7.669.191 Euros to the Company's reserve.

## **1.4 APPROVAL THE SOCIAL MANAGEMENT OF THE BOARD OF DIRECTORS OF TUBACEX**

Approve the social management executed by the Board of Directors of TUBACEX S.A. during the fiscal year 2018.

## **TWO. APPOINTMENT OF DIRECTORS**

Provided that there will be vacancies at the time of holding the annual general meeting:

**2.1 Appointment of Mr. Francisco Javier García as independent director for the statutory term of four years.**

**2.2. Appointment of Mrs. Rosa García García as independent director for the statutory term of four years.**

**2.3. Appointment of Mrs. Gema Navarro Mangado as proprietary director for the statutory term of four years.**

## **THREE. RE-ELECTION OF DIRECTORS**

**3.1 Re-election of Mrs. Nuria López de Guereñu as independent director for the statutory term of four years.**

**3.2 Re-election of Mr. Antonio Maria Jauregui as independent director for the statutory term of four years.**

**3.3 Re-election of Mr. Manuel Moreu as independent director for the statutory term of four years.**

**3.4 Re-election of Mr. Jesús Esmoris as executive director for the statutory term of four years.**

**3.5 Re-election of Mr. Alvaro Videgain as external others director for the statutory term of four years.**

#### **FOUR.- APPROVAL OF THE 2019-2022 INCENTIVE PLAN FOR MANAGEMENT TEAM**

##### A. Approval of an incentive scheme for the Chief Executive Officer

- (i) Following a favorable report from the Appointment and Remunerations Committee, it is agreed to extend the strike period on the 500,000 options on shares granted to the Chief Executive Officer by the Shareholders' Annual General Meeting on 25th May 2016 (and extended by the Shareholders' Annual General Meeting on 23rd May 2018, in such a way that its strike can be carried out, under the same terms and conditions as those adopted by the Shareholders' Annual General Meeting, between, either (i) 1st January 2023 and 31st March 2023, or (ii) 1st January 2024 and 31st March 2024, on the date to be chosen by the beneficiary.
- (ii) In addition to the extended scheme in the point above, following a favorable report from the Appointment and Remunerations Committee, it is agreed to grant the Chief Executive Officer new options on Company shares under the following terms:

Number of options: 500,000 call option rights on TUBACEX shares.

Each option will entitle the CEO to acquire one Company share.

Option's strike price: The strike price will be three (3) Euros per share.

Strike date: The strike option may be exercised between either (i) 1st January 2023 and 31st March 2023, or (ii) 1st January 2024 and 31st March 2024, on the date to be chosen by the beneficiary.

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.

##### 2.- Approval of an incentive scheme for the Company's Management Committee in accordance with Article 150.2 of the Corporate Act

Following a favorable report from the Appointment and Remunerations Committee, it is agreed to grant an incentive scheme for the Company's senior management based on the provisions set out in Article 150.2 of the Corporate Act, consisting of a loan to the members of the Management Committee for the acquisition of Company shares.

##### 3.- 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 the award and exercise of rights included therein (and more specifically, for the Management Committee's incentive plan, the amount of the loan, its expiry and the guarantees that the beneficiaries will present to assure the repayment of the loan upon its maturity), the determination of the corresponding beneficiaries for each scheme, terms and conditions for the award or exercise of rights and verification of their compliance, rights awarded through their beneficiary status, levels of performance for each parameter set forth as a target, consequences of the loss of employee, director or executive director status in the Company or its Group, or a change of control, determine the causes of an early 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.

#### **FIVE.- APPOINTMENT OF THE AUDITOR FOR 2019 FINANCIAL YEAR**

Appointment of DELOITTE S.L. as Auditors of the Company and its Consolidated Group to audit since 1<sup>st</sup> January 2019 to 31 December 2019.

**SIX.- TO AUTHORIZE THE BOARD OF DIRECTORS, WITH POWER OF SUBSTITUTION, FOR A MAXIMUM PERIOD OF FIVE YEARS, TO ISSUE SIMPLE, CONVERTIBLE AND / OR EXCHANGEABLE BONDS, AND / OR OTHER FIXED INCOME SECURITIES (INCLUDING, IN PARTICULAR, BONDS AND NOTES) UP TO THE LIMIT OF 250 MILLION EUROS, WITH THE POWER TO EXCLUDE THE PREFERENTIAL SUBSCRIPTION RIGHT OF THE SHAREHOLDERS AND HOLDERS OF CONVERTIBLE TITLES. AUTHORIZATION FOR THE COMPANY TO GUARANTEE, WITHIN THE LIMITS DESCRIBED ABOVE, THE ISSUANCES OF SECURITIES BY SUBSIDIARIES.**

Authorize the Board of Directors, annulling the agreement of the General Shareholders Meeting of 23<sup>rd</sup> May 2018 regarding to the amount not disposed under such agreement and in accordance with the general regime on bond issuance to issue securities in accordance with the following conditions:

1. - Securities to be issued.- The marketable securities under this delegation of power can be simple bonds or debentures, notes and other fixed income securities, as well as exchangeable securities for shares of the Company or any other company, belonging or not to its Group, and/or convertible securities into shares of the Company (hereto, "**Securities**").
2. Duration of the delegation. - The Securities issuance object of this authorization may be conducted one or several times within the maximum assessment period of five (5) years from the date of the adoption of the agreement.
3. Maximum amount of the delegation.- 250 million euros.

To the maximum pursuant to article 405 of the Corporations Act, the Securities issued in accordance to this agreement, it shall not be applied the limit established in article 405 of the Corporations Act, for being issues directed exclusively to qualified investors and/or the Company being a listed public company .

4.- Authorization Scope. - This authorization is extended, as broadly as it may be required by law, to the establishment of the different aspects and conditions of each issuance, including but not limited to, the nominal value, type of issuance, redemption price, currency of the issuance, interest rate, amortization, subordination clauses, issuance guarantees, place of issue, placement and subscription regime, admission to trading, applicable law, etc. and, generally, any other issuance condition, as well as, if applicable, designation of the commissioner and approval of the basic rules that shall govern the legal relations between the Company and the syndicate of the holders of the securities to issue, in case it may be necessary or the constitution of the aforementioned syndicate is decided.

5. Basis y methods of conversion and/or exchange.- For the case of bonds or convertible and/or exchangeable notes issuance, and for the purposes of the determination of the basis and methods of conversion and/or exchange, it is agreed to establish the following criteria:

- a) The relation of conversion and/or exchange shall be fixed, and for this purpose the debentures and/or exchangeable bonds shall be rated by their nominal value and the shares at the fixed rate indicated in the agreement of the Board of Directors, or at the rate of exchange defined on the date(s) indicated in the agreement of the Board of Directors, and according to the market value of the Company shares on the date(s) or in the period(s) taken as a reference in the agreement. Nonetheless, the price of the shares shall not be inferior than the highest between (i) the arithmetic average of the closing prices on the continuous market over a period to be specified by the Board of Directors, not exceeding three months and less than fifteen days, prior to the Board meeting that makes use of this authorization to approve the issue of debentures and bonds, and (ii) the closing share price on the continuous market prior to the Board Meeting that makes use of this authorization to approve the issue of bonds and notes.
- b) In any case, the convertible bonds shall be issued at a rate inferior to their nominal value. Likewise, pursuant to article 415 of the Corporations Act, bonds shall not be converted into shares when their nominal value is inferior to them.
- c) When appropriate the conversion and/or exchange, the fractional shares that, if applicable, may correspond to the holder of debentures and notes shall be rounded

down to the nearest whole number, and each holder shall receive any difference that may arise due to such circumstances in cash.

- d) By the time to approve a debentures and convertible and/or exchangeable notes issuance under the authorization contained in this agreement, the Board of Directors shall issue a report explaining and specifying, on the basis of the above criteria, the basis and methods of conversion specifically applicable in such issuance. This report shall be accompanied by the corresponding accounts auditors' report referred to in article 416 of the Corporations Act.

6. - Rights of the holders of the convertible securities.- The holders of convertible and/or exchangeable securities shall enjoy as the rights recognized under the existing legislation, and specially, shall be protected through the corresponding anti-dilution clauses.

7. - Capital increase and exclusion of the subscription preference right.- The delegation for the issuance of debentures and bonds convertible into new subscription shares shall comprise:

- a) The power to increase capital by the amount necessary to assist the requests of conversion of convertible debentures or bonds into new issuance shares. Such power, may only be exercised to the extent that the Board of Directors, adding together the capital increase to meet the requirements of the convertible debentures or bonds issue and the remaining capital issues that may have been resolved under the authorities conferred by the Meeting, does not surpass the limit of half the capital stock figure provided in article 297.1.b) of the Corporations Act.
- b) The power to suppress the preferential subscription right for shareholders or holders of convertible debentures or bonds, when necessary to raise funds on international markets, the use of techniques based on the listing process or in whatever manner the Company's best interests may require. In any case, if the Board of Directors may decide to remove the preferential subscription right regarding to a specific issuance of debentures or bonds convertible into new issuance shares that eventually may decide to execute pursuant to this authorization, it will put out a report in due time to be able to approve the issue which shall be accompanied by the relative report of the accounts auditor referred to in article 506 of the Corporations Act.
- c) The power/authority to developed and specify the basis and methods of conversion and/or exchange established in the previous fifth paragraph and, in particular, to determine the time of conversion and/or exchange, which shall be limited to a determined period, the ownership of the right of conversion and/or exchange of the bonds, which may be assigned to the Company or the bondholders, the way to satisfy the bondholder (through conversion, exchange or even the combination of both techniques, that might be left to his choice for the time of execution or even establish the necessary convertible character of the bonds object of issuance) and, in general, all such matters and conditions as may be necessary or appropriate for the issue.

8. - Admission to trading.- The Company shall request, when appropriate, the admission to trading on secondary markets, official or unofficial, organized or unorganized, national or foreign, of the Securities issued by the Company by virtue of this delegation, authorizing the Board of Directors, as broadly as may be required by law, for the performance of the formalities and steps necessary or appropriate for the admission listing before the competent bodies of the different securities markets, national or foreign.

It is hereby expressly noted that, in the event of subsequent request for exclusion to trading, this shall be adopted with the same formalities for the admission request, insofar as they are applicable, and in such case, the interest of any shareholders or holders of debentures who oppose or vote against the agreement in accordance with the terms

established in the current legislation. Likewise, it is expressly stated that the Company shall abide to the existing rules or those that may be enacted with regard to stock exchange, and specially, to admission, maintenance and suspension from trading.

9. - Guarantee of Securities issuance by subsidiaries. - The Board of Directors is equally authorized to guarantee on behalf of the Company, within the limits previously noted, the new Securities issues that, during the agreement term, the subsidiaries execute.

10. - Power/Authority of substitution – The Board of Directors is expressly authorized to delegate pursuant the established in article 249 of the Corporations Act, the authorities referred to in this agreement.

**SEVEN.- DELEGATING IN THE BOARD OF DIRECTORS THE POWER TO APPROVE CAPITAL INCREASE, TO THE MAXIMUM PURSUANT TO ARTICLE 297.1.B) OF THE CORPORATIONS ACT, ATTRIBUTING THE POWER TO EXCLUDE, OR NOT, PREEMPTION RIGHTS**

Authorize, by virtue of the power conferred by the article 297 of the Corporations Act, the Board of Directors of the Company to agree the Company's share capital increase, without first consulting the Shareholders' Meeting, to a maximum of 29,920,225,45 Euros, with the power to execute such authority, within the stated amount, once or several times, deciding in each case the opportunity or convenience, as well as the amount and conditions considered appropriate.

The capital increase that, if applicable, is agreed, must be carried out within the maximum period of five years from today.

Such increase or increases of share capital shall be carried out, either by the increase of the nominal value of the existent shares, with the requirements provided for by law, by the issuance of new shares, ordinary or preferred, with or without share premium, with or without voting rights, or redeemable shares, or several modalities at once, consisting of the consideration of new shares or the increase of the existing shares nominal value, by monetary contributions, including the transformation of unrestricted reserves, and even the simultaneous execution of both modalities, as far as it is provided by the current legislation.

The Board of Directors will be authorized, by virtue of this delegation, to established, in case of incomplete subscription, that the capital shall only be increased in the amount of the subscriptions made, and to redraft the article of the Corporate Bylaws regarding to capital, once the increase is agreed and executed.

This authorization entails annulling of the authorization of the capital increase conferred to the Board of Directors in the General Shareholders' Meeting, from date 24<sup>th</sup> May 2017, regarding to the authorization period still outstanding.

By virtue of this authorization, the Board of Directors is also authorized to request the admission to official trading/listing of the new shares that may be issued by any stock exchange or regulated market, national or foreign, in the terms of applicable legislation.

In accordance with the established in article 506 of the Corporations Act, the Board of Directors is expressly authorize to exclude, in whole or in part, the preferential subscription right regarding to all or any of the issues agreed based on this authorization, in the cases when the interest of the Company so requires, as far as the nominal value plus, if applicable, the share premium, corresponds to the real value resulting from the Company's Account Auditors' report, by request of the Board of Directors on each occasion that the conferred

authorization to exclude the preferential subscription right, present in this paragraph, is exercised.

#### **EIGHT.- ADVISORY VOTE REGARDING THE ANNUAL REMUNERATIONS REPORT OF DIRECTORS**

It is submitted to an advisory vote the Report on the remuneration policy for directors, formulated by the Board of Directors upon the recommendation of the Appointments and Remuneration Committee. This report includes an overall summary of the application of this policy during the year 2018, including details of the individual remunerations payable to each of the directors during this period, as well as the policy approved by the Committee for the current year. The full text has been made available to shareholders along with the rest of the documentation for this General Meeting.

#### **NINE.- NOTIFICATION OF THE MODIFICATION OF THE BOARD OF DIRECTORS REGULATION**

**Notify to the Annual General Meeting the modification of the Regulation of the Board of Directors approved on 27<sup>th</sup> February 2019 giving to the articles 22 and 23 the following drafting:**

##### ***ARTICLE 22.- Term of the post.-***

*1.- Board members shall carry out their duties for a maximum term of 4 years and can be reappointed. A board member cannot be appointed nor re-elected to the Board if aged 70, 65 for executive directors, but they could finish their mandate.*

*2.- Board members appointed for co-option shall carry out their duties until the date of the first AGM ratifying their appointment.*

*3.- Board members who come to the end of their term of office or for whatever other reason finish in their post, shall not be able to work for any other entity whose corporate purpose is similar to that of the Company's for a two year period.*

*The Board of Directors, if it considers appropriate, can exempt the outgoing member from this obligation or shorten its length of application.*

##### ***ARTICLE 23.- Dismissal of Board Members.-***

*1.- Board members shall be dismissed from the post when the period for which they were appointed has lapsed and when the AGM or the Board of Directors decides to terminate their position, exercising the powers legally or statutorily conferred on them. Appointments of Board members will terminate when, after mandate expired, the next AGM has been held or legal period for holding the AGM that should determine approval of the previous year accounts has lapsed.*

*2.- Board members should offer their resignation to the Board of Directors and should formalize their corresponding resignation, if the Board deem it appropriate, in the following cases:*

*a) When the executive posts to which their appointments were associated finish.*

*b) When they are found to be involved in any of the incompatible or banned situations previously mentioned.*

*c) When they are prosecuted for a supposedly criminal event or when the supervising authorities decide that they are guilty of serious or gross misconduct.*

*d) When the Audit and Compliance Committee seriously caution them for having breached their obligations as Board members.*

*e) When their presence on the Board might jeopardize the interests of the company or when the reasons for which they were appointed do no longer exist.*

**TEN.- GRANT POWER TO FORMALIZE AND NOTARIZE THE AFOREMENTIONED AGREEMENTS AND ENCOURAGE THEIR REGISTRATION IN THE CORPORATE REGISTER AS WELL AS THE CORRECTION, INTERPRETATION AND IMPLEMENTATION OF THE AGREEMENTS ADOPTED AT THE GENERAL MEETING**

Authorize, with conferral authority without distinction, to all members of the Board or Director, as well as the Secretary of the same, as broadly as required by law, to formalize, interpret, correct, supplement, execute, adapt and convert the adopted agreements in this Meeting. Especially, the management members shall be authorized, in the name and on behalf of the Company, to appear before a notary with the purpose of formalizing via public deed what the previous agreements contain and establish. Furthermore, they are authorized to proceed to the execution in all cases, performing regarding to these agreements the request for the subsequent reports, certificates and procedures pursuant to the Corporations Act, Mercantile Registry Regulations, Securities Exchange Act and other applicable provisions, while at the same time continuing with the required procedures regarding to full legal effectiveness of the public instruments provided or issued documents, including through their correction, urging the inscriptions and repositories in the appropriate Legal Registers.

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.