



**ANNUAL CORPORATE GOVERNANCE REPORT  
FOR LISTED PUBLIC COMPANIES**

**ISSUER'S IDENTIFICATION DETAILS**

Reference year-end date: December 31, 2023

TAX ID No.: A-01003946

Company Name:  
**TUBACEX, S.A.**

Registered Address:

TRES CRUCES, 8 (LLODIO) ÁLAVA

This english version is a translation of the original in spanish for information purposes only.  
In case of a discrepancy, the spanish original will prevail



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**A. OWNERSHIP STRUCTURE**

A.1. Complete the following table regarding the share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote at the close of the financial year, where appropriate:

Indicate whether the Company's Articles of Association include a double loyalty voting provision:

Yes  
 No

Date of Last Change	Share Capital (€)	Number of Shares	Number of Voting Rights
October 24, 2023	56,947,162.95	126,549,251	126,549,251

Indicate whether there are different classes of shares with different associated rights:

Yes  
 No

A.2. List the significant direct and indirect shareholders at the year-end, including Board Members with a significant shareholding:

Name or company name of the shareholder	% of voting rights attributed to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
MR. JOSE MARÍA ARISTRAIN DE LA CRUZ	0.00	11.00	0.00	0.00	11.00
EDM GESTIÓN S.A. SGIIC	0.00	4.97	0.00	0.00	4.97
ITZARRI, EPSV	3.21	0.00	0.00	0.00	3.21
MR. ANGEL SORIA VAQUERIZO	0.00	5.06	0.00	0.00	5.06

Breakdown of indirect shareholdings:

Name or company name of the indirect holder	Name or company name of the direct holder	% of voting rights attributed to shares	% of voting rights through financial instruments	% of total voting rights
MR. JOSÉ MARÍA ARISTRAIN DE LA CRUZ	CORPORACIÓN ARISTRAIN S.L.	10.00	0.00	10.00
MR. JOSE MARÍA ARISTRAIN DE LA CRUZ	CORPORACIÓN 3MAC BV SARL	1.00	0.00	1.00
EDM GESTIÓN S.A SGIIC	EDM GESTIÓN S.A. SGIIC	4.97	0.00	4.97
MR. ÁNGEL SORIA VAQUERIZO	TORRE RIOJA MADRID SA	5.06	0.00	5.06



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Indicate the most significant changes in the shareholder structure during the financial year:

**Most significant movements**

Álvaro Guzmán de Lázaro informed the CNMV on January 26 that his position has been reduced to below the threshold of 3% .

A.3. Provide details of the shareholding of the members of the Board of Directors who are holders of voting rights attributed to shares in the Company or through financial instruments at the year-end, regardless of the percentage, excluding the Board Members identified in Section A.2 above:

Name or company name of the Board Member	% of voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	Of the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed that correspond to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. FRANCISCO JAVIER GARCÍA SANZ	0.04	0.00	0.00	0.00	0.04	0.00	0.00
MR. MANUEL MOREU MUNAIZ	0.01	0.00	0.00	0.00	0.01	0.00	0.00
MR. JORGE SENDAGORTA GOMENDIO	0.00	0.87	0.00	0.00	0.87	0.00	0.00
MR. IVAN MARTEN ULIARTE	0.11	0.00	0.00	0.00	0.11	0.00	0.00
MS. NURIA LÓPEZ DE GUEREÑU ANSOLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. GRACIA LÓPEZ GRANADOS	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total % of voting rights held by the members of the Board of Directors

1.34



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Breakdown of indirect shareholdings:

Total % of voting rights held by the Board of Directors 11.00

Name or company name of the Board Member	Name or company name of the direct holder	% of voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	Of the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed that correspond to shares with a loyalty vote
MR. JORGE SENDAGORTA GOMENDIO	SENTEC SL	0 (87)	0 (00)	0.87	0.00

Details of the total percentage of voting rights held by the Board:

A.4. If applicable, indicate any family, commercial, contractual or corporate relationships that exist between significant shareholders, to the extent that they are known to the Company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in Section A.6.:

Name or company name of the related party	Nature of the relationship	Brief description
No data		

A.5. If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the Company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of the related party	Nature of the relationship	Brief description
No data		

A.6. Unless insignificant for both parties, describe the relationships that exist between significant shareholders or those represented on the Board and Directors, or their representatives, in the case of directors that are legal entities.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors who have been appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and position of members of the Board of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:



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Individual or company name of the Board Member	Individual or company name of the related significant shareholder	Company name of the group company of the significant shareholder	Description of the relationship/position
MS. ISABEL LÓPEZ PAÑOS	MR. JOSE MARÍA ARISTRAIN DE LA CRUZ	CORPORACIÓN ARISTRAIN S.L.	Isabel López is Secretary of the Board of Directors of Corporación Aristrain SL.
ISABEL LÓPEZ PAÑOS	MR. JOSE MARÍA ARISTRAIN DE LA CRUZ	INVERSIONES FINANCIERAS TXINDOKI S.L.	Isabel López is Secretary of the Board of Directors of Inversiones Financieras Txindoki SL.
MS. GEMA NAVARRO MANGADO	MR. JOSE MARÍA ARISTRAIN DE LA CRUZ	CORPORACIÓN ARISTRAIN S.L.	Gema Navarro is a Director and Vice-President of Corporación Aristrain SL.
MS. GEMA NAVARRO MANGADO	MR. JOSE MARÍA ARISTRAIN DE LA CRUZ	INVERSIONES FINANCIERAS TXINDOKI S.L.	Gema Navarro is a Director and Vice-President of Inversiones Financieras Txindoki SL.

A.7. Indicate whether the Company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions set out in Articles 530 and 531 of the Corporations Act. If so, briefly describe them and list the shareholders bound by the agreement:

Yes  
 No

Indicate whether the Company is aware of the existence of any concerted actions among its shareholders. If so, briefly describe them:

Yes  
 No

Expressly indicate whether any of these agreements or concerted actions have been modified or terminated during the financial year:

A.8. Indicate whether any individual or legal entity exercises or may exercise control over the Company pursuant to Article 5 of the Securities Exchange Act. If so, identify them:

Yes  
 No

A.9. Complete the following tables regarding the Company's treasury stock:

At the year-end:

Number of direct shares	Number of indirect shares(*)	Total % of share capital
3,719,308		2.93

(\*) Through:

Name or company name of the direct shareholder	Number of direct shares
No data	



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Explain the significant variations during the financial year:

**Explain the significant variations**

The Shareholders' General Meeting held on May 24, 2023, approved the reduction of share capital by €1,093,288.95 through the amortization of 2,429,531 own shares currently held as treasury stock after having acquired them through a buyback program in 2022 by resolution of the Board of Directors on June 22, 2023.

A.10. Detail the conditions and terms of the Shareholders' Meeting's current mandate to the Board of Directors to issue, repurchase or dispose of own shares:

The Shareholders' General Meeting held on June 25, 2020 agreed to authorize the Board of Directors with replacement power for a maximum period of five years to issue ordinary, convertible and/or exchangeable debentures and/or other fixed-interest securities (including in particular debentures, bonds and securities) up to €350M, with the empowerment to exclude the preemptive subscription right of shareholders and convertible bond holders so that the Company can guarantee the issue of securities issued by dependent companies.

At its meeting held on June 24, 2021, in accordance with Article 146 and related articles of the Corporations Act, the Shareholders' General Meeting approved to authorize the Board of Directors to proceed with the derivative acquisition of shares in "TUBACEX, S.A." by "TUBACEX, S.A." itself and its subsidiaries for a maximum period of five years, thereby rendering the resolution adopted at the General Meeting held on May 24, 2017 ineffective, insofar as it has not been executed.

Such acquisitions must be made in accordance with the following terms:

- a) Form: purchase and sale, swap, loan or payment in lieu or through any other means permitted by Law.
- b) Maximum number of shares to be acquired, added to those already owned by TUBACEX, S.A. and its subsidiaries: up to 10% of the subscribed capital.
- c) Maximum and minimum prices: 15% above or below the closing price in the last market trading session, in accordance with the rules and customs of the securities markets.
- d) Duration of the authorization: five (5) years from the date of this agreement.

Authorize the Board of Directors to carry out the derivative acquisition of shares in TUBACEX, S.A. under the terms set out and to be able to fully or partially use the own shares already acquired and those acquired by virtue of the aforementioned authorization for the execution of remuneration systems consisting of or whose object is the delivery of shares or options on shares in TUBACEX, S.A. to employees. Senior Management and Directors who perform executive functions pursuant to the provisions set out in Section 1.a) of Article 146 of the Consolidated Text of the Corporations Act.

A.11. Estimated Floating Capital:

	%
Estimated Floating Capital	67.10

A.12. Indicate whether there are any restrictions (statutory, legislative or of any other nature) placed on the transfer of securities and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may hinder a takeover of the company through the acquisition of its shares on the market, as well as any regimes for prior authorization or notification that may be applicable under sector regulations to acquisitions or transfers of the company's financial instruments.

- Yes
- No

A.13. Indicate whether the General Shareholders' Meeting has approved the adoption of measures to neutralize a takeover bid by virtue of the provisions of Law 6/2007:

- Yes
- No



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If applicable, explain the measures approved and the terms under which such limitations will cease to apply.

A.14. Indicate whether the Company has issued shares that are not traded on a regulated EU market.

Yes  
 No

If applicable, indicate the different share classes and the rights and obligations conferred:

### B. GENERAL SHAREHOLDERS' MEETING

B.1. Indicate whether there are any differences between the minimum requirements set out in the Corporations Act and the quorum required to constitute a General Shareholders' Meeting, and, if so, provide details.

Yes  
 No

B.2. Indicate whether there are any differences between the requirements set out in the Corporations Act for the adoption of corporate resolutions and, if so, provide details.

Yes  
 No

B.3. Indicate the applicable rules for the modification of the Company's Articles of Association. In particular, the majorities required for the amendment of the Articles of Association shall be communicated, as well as the rules for the protection of the rights of the members in the amendment of the Articles of Association, where applicable.

The Articles of Association of TUBACEX, S.A. strictly comply with the provisions of the Corporations Act regarding the requirement of the favorable vote of the majority of the capital with voting rights present or represented at the Meeting, without prejudice to the reinforced quorums established by law.

The Articles of Association and the Regulations of the General Shareholders' Meeting establish that the Shareholders' Meeting is competent to resolve to amend the Articles of Association, whereby the rules applicable to the amendment of the Company's articles of Association are those established in the Corporations Act. In this regard, the Meeting must be attended on first call by shareholders present or represented who hold at least 50% of the subscribed capital with voting rights, in which case it will be sufficient for the resolution to be adopted by absolute majority. On second call, the attendance of 25% of such capital shall be sufficient, in which case the favorable vote of 2/3 of the capital present or represented at the Meeting shall be required when, on second call, shareholders representing 25% or more of the subscribed capital with voting rights do not reach 50%.

Notwithstanding the above, the Board is competent to change the registered address within the national territory in accordance with Article 285.2 of the Corporations Act.

The rights of the shareholders in relation to the Shareholders' Meetings are those established in the Corporations Act and included in the Company's Articles of Association and in the Regulations of the Shareholders' Meeting, highlighting the shareholders' right to information.

In this respect, the Board of Directors must draw up the full text of the proposed amendment to the Articles of Association and a report justifying it. The notice of the General Meeting clearly states the matters to be amended and the right of all shareholders to examine the full text of the proposed amendment and the report on it at the registered office, as well as to request the delivery or sending of these documents free of charge.

In turn, shareholders may request any information or clarifications they consider necessary regarding the items on the agenda, or submit any questions they consider relevant in writing up to five days prior to the date scheduled for the General Meeting. Requests for information shall be answered in writing, once the identity and shareholder status of the applicant has been verified, up to the date of the Shareholders' General Meeting.



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The directors shall be obliged to provide the information in writing, up to the day of the Meeting, except in the cases provided for by law. Valid requests for information, clarifications or questions made in writing and the answers provided in writing by the Board shall be published on the Company's website.

At the General Shareholders' Meeting, those matters that are substantially independent must be voted on separately and even if they are included in the same point on the agenda, separate votes must be taken on each article or group of articles that have their own autonomy, in accordance with the provisions of Article 197 bis of the Corporations Act.

B.4. Provide details of attendance at the General Shareholders' Meetings held during the financial year referred to in this report and the two previous years:

**Attendance data**

Date of General Shareholders' Meeting	% of shareholders present in person	% of shareholders represented by proxy	% distance voting		
			Electronic voting	Others	Total
June 24, 2021	20.24	34.13	0.00	0.00	54.37
Of which Floating capital	0.00	34.13	0.00	0.00	34.13
May 26, 2022	25.88	30.51	0.00	0.00	56.39
Of which Floating capital	25.81	30.51	0.00	0.00	56.32
May 24, 2023	28.82	27.00	0.00	0.00	55.82
Of which Floating capital	2.82	27.00	0.00	0.00	29.82

B.5. Indicate whether any point on the agenda of the General Shareholders' Meetings during the financial year was not approved by the shareholders for any reason:

Yes  
 No

B.6. Indicate whether there are any statutory restrictions requiring a minimum number of shares to attend the General Shareholders' Meeting or to vote remotely.

Yes  
 No

B.7. Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval by the Shareholders' General Meeting:

Yes  
 No

B.8. Indicate the address and manner of access on the Company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders via the Company website:

All the documentation related to the last Shareholders' General Meeting is available on the company's website at [www.tubacex.com](http://www.tubacex.com) in the Shareholders and Investments/ Shareholders' General Meeting section and is complemented by everything related to Corporate Governance at the Tubacex Group/ Corporate Governance. <https://www.tubacex.com/en/investors-shareholders/annual-shareholders-meeting/>





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**C. STRUCTURE OF THE COMPANY'S MANAGEMENT**

C.1. Board of Directors

C.1.1. Maximum and minimum number of directors established in the Articles of Association and the number set by the General Meeting:

Maximum number of directors	12
Minimum number of directors	5
Number of directors established by the General Meeting	12

C.1.2. Complete the following table with the Board Members:

Name or company name of the Director	Representative	Category of the Director	Position on the Board	Date first appointed	Date of last appointment	Election procedure
MR. JORGE SENDACORTA COMENDIO		Independent	BOARD MEMBER	May 23, 2018	May 26, 2022	SHAREHOLDER S' GENERAL MEETING RESOLUTION
MS. ISABEL LÓPEZ PAÑOS		Proprietary Director	BOARD MEMBER	May 23, 2018	May 26, 2022	SHAREHOLDER S' GENERAL MEETING RESOLUTION
MR. JOSÉ TORIBIO GONZÁLEZ		Independent	BOARD MEMBER	May 28, 2014	May 26, 2022	SHAREHOLDER S' GENERAL MEETING RESOLUTION
MS. GRACIA LÓPEZ GRANADOS		Independent	BOARD MEMBER	May 24, 2023	May 24, 2023	SHAREHOLDER S' GENERAL MEETING RESOLUTION
MS. GEMA NAVARRO MANGADO		Proprietary Director	BOARD MEMBER	May 22, 2019	May 24, 2023	SHAREHOLDER S' GENERAL MEETING RESOLUTION
MR. ANTONIO MARÍA PRADERA JAUREGUI		Independent	BOARD MEMBER	May 27, 2015	May 24, 2023	SHAREHOLDER S' GENERAL MEETING RESOLUTION
MS. NURIA LÓPEZ DE GUEREÑU ANSOLA		Independent	BOARD MEMBER	May 27, 2015	May 24, 2023	SHAREHOLDER S' GENERAL MEETING RESOLUTION
MR. JESUS ESMORIS ESMORIS		Executive	CEO	May 28, 2013	May 24, 2023	SHAREHOLDER S' GENERAL MEETING RESOLUTION
MR. IVAN MARTEN ULIARTE		Independent	BOARD MEMBER	May 23, 2018	May 26, 2022	SHAREHOLDER S' GENERAL MEETING RESOLUTION
MR. FRANCISCO JAVIER GARCÍA SANZ		Independent	CHAIRMAN	May 22, 2019	May 24, 2023	SHAREHOLDER S' GENERAL MEETING RESOLUTION
MR. MANUEL MOREU MUNAIZ		Independent	BOARD MEMBER	May 27, 2015	May 24, 2023	SHAREHOLDERS' GENERAL MEETING RESOLUTION



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Total number of directors 11

Indicate any cessations whether through resignation or by resolution of the General Shareholders' Meeting that have taken place in the Board of Directors during the reporting period:

Name or company name of the Director	Category of the Director at the time of cessation	Date of last appointment	Date of cessation	Specialized committees of which he/she was a member	Indicate whether the Director left prior to the end of his/her term of office.
No data					

C.1.3. Complete the following tables about the members of the Board and their categories:

EXECUTIVE DIRECTORS		
Name or company name of the Director	Position within the Company's organization chart	Profile
MR. JESÚS ESMORIS ESMORIS	CEO	Industrial Engineer. He began his professional career in Germany, as Project Director and Commercial Director in various industrial companies. In 1991, he set up Autokomp GmbH, which is dedicated to business development in the German automotive sector of several companies from the Basque Country. In 1996, he joined the newly created Corporación Industrial Egaña (now CIÉ Automotive) as the Strategic and Commercial Director. In 2002, he took over the General Management of the metal business unit and in 2005, he was appointed General Manager of the Group. He is a Director of Navacel Process Industries, as well as Director and Executive Vice-President of UNESID on behalf of TUBACEX.

Total number of executive directors	1
% of the entire Board	9.09

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the Director	Name or company name of the significant shareholder represented by the Director or that has proposed his/her appointment	Profile
MS. ISABEL LÓPEZ PAÑOS	MR. JOSE MARÍA ARISTRAIN DE LA CRUZ	Graduate in Law and lawyer of the Madrid Bar Association. She has a Diploma in Insolvency Studies from ICAM and is Director of Hernandez-Echevarria Abogados. She began her professional career at Federico Puig's Law Firm, advising the Governing Boards of various cooperatives. She has extensive experience as a litigator in the civil and commercial field. She has a long professional record of advising large family-offices and venture investment funds, in both ordinary business operations and extraordinary acquisitions. She has provided services in commodity transactions, as well as in the industrial and real estate sectors. She is the Secretary of the Board of Directors of different companies.
MS GEMA NAVARRO MANGADO	MR. JOSE MARÍA ARISTRAIN DE LA CRUZ	With solid technical training in the commercial and financial fields, Ms. Gema Navarro Mangado has spent more than fifteen years developing her professional activity as Consultant for the patrimonial management of real estate and financial assets from her organization in Luxembourg. She has been Director of various national and foreign companies, and is currently Vice-President of Inversiones Industriales Txindoki and Director of the Aristrain Corporation. She is an entrepreneur in sustainable projects in the energy sector, as instruments to promote development in the rural environment. She is currently promoting conversion programs in areas with low projection, in order to provide economic viability through new



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EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the Director	Name or company name of the significant shareholder represented by the Director or that has proposed his/her appointment	Profile
		management models. Her forthcoming challenges include active participation in projects to offset the carbon footprint.

Total number of proprietary directors	2
% of the entire Board	18.18

EXTERNAL INDEPENDENT DIRECTORS	
Name or company name of the Director	Profile
MR. JORGE SENDAGORTA GOMENDIO	Honorary President of the SENER Engineering and Technology Group. Sole Administrator of SENTEC, S.L. PhD in Naval Engineering from the Polytechnic University of Madrid. Master's Degree in Ocean Engineering from M.I.T. IESE Business School Senior Management Program. Honorary Member of the Spanish Institute of Engineering. Honorary Associate of the Association of Naval and Ocean Engineers. Academic Member of the Royal Academy of the Sea. Consul of Bilbao. He has been President of the Basque Business Circle and IESE Alumni Association.
MR. JOSÉ TORIBIO GONZÁLEZ	Graduate in Economics and Business Studies from the University of Navarra with an MBA from IESE, he started his professional career at Banco Santander, later moving to CITIGROUP as Vice-President of Corporate & Investment Banking. He held various positions of responsibility at ATKearney Consulting and La Caixa between 2001 and 2005 and went on to join Merrill Lynch as Senior Vice-President of Global Wealth Management. From 2010 until 2021, he has been the Director of Global Private Banking at CITIGROUP, combining his professional activity with lecturing in finance and financial markets at CUNEF and the University of Navarra. He is a Director of Agrifeed SL
MS. GRACIA LÓPEZ GRANADOS	Graduate in Economics and Business Administration from CUNEF (Colegio Universitario de Estudios Financieros), she holds an IC-A Diploma in Corporate Governance and an Executive Program in Digital Business (ISDI). She is a senior advisor at STJ, a leading specialist in Equity Capital Markets advisory services, and an Independent Director of Avalmadrid S.A., where she chairs the Audit and Appointments and Remunerations Committees. With more than 25 years of experience in the financial sector, she began her professional career in the Capital Markets Division at JP Morgan in London. She then joined Credit Suisse Financial Products (later Credit Suisse First Boston), and in 2000, she moved to Morgan Stanley's Structured Credit team. Upon her return to Spain, she joined Cajamadrid where, after several executive positions, she joined the President's Office. Subsequently, she briefly assumed the position of Corporate Finance Director at Martinsa Fadesa and then spent five years as a senior advisor at Apollo Management. Finally, she has been a Director of the Hijos de J Barreras shipyard in Vigo, a company that went on to validate a restructuring agreement with its financial creditors in 2020, after having requested creditor protection in 2019.
MR. ANTONIO MARÍA PRADERA JAUREGUI	Civil Engineer. He is currently Chairman of the Board of Directors of CIE Automotive and Global Dominion Access and is a Director of Alba Corporación He began his professional career as a Director at Banco Bilbao between 1979 and 1985. After a short period as a freelance engineer, he was appointed General Manager of Nerisa in 1988, where he remained until 1993, when he joined SEAT as Strategy Director. In 1995, he played a key role in setting up INSSEC, becoming its CEO and holding this position until 2010. As a Non-executive Chairman of CIE AUTOMOTIVE, he is heavily involved in strategic management and financial aspects.
MS. NURIA LÓPEZ DE CUEREÑO ANSOLA	Telecommunications Engineer from the Universitat Politècnica de Catalunya; MBA from ESIC-Business&Marketing School; Erasmus Mundus European Master in the Design and Management of Lifelong Learning Policies from the University College of London and PhD in Sociology of Education from the University of the Basque Country (UPV-EHU). She has the IC-A (Institute of Directors and Administrators) Certificate for Good Corporate Governance. In the technological field, she has been a systems technician at Osakidetza-Basque Health Service and Head of IT at the Mendaro Regional



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EXTERNAL INDEPENDENT DIRECTORS	
Name or company name of the Director	Profile
	Hospital. She has participated in digital technology research projects at Vicomtech (technology center specialized in Artificial Intelligence, Visual Computing and Interaction). In the management area, she has served as the Basque Government's Minister for Transport and Public Works and as Secretary General of Confebask (Basque business organization). She is currently Executive Director of the EKI Foundation (supply of photovoltaic installations in sub-Saharan Africa). She has taught at the Deusto Business School and the Basque Public University (UPV-EHU), and is currently a member of the Governing Council of Deusto University and of the Governing Council of UNESCO-Etxea (Basque Association for UNESCO).
MR. IVAN MARTEN ULIARTE	President of Orkestra-Basque Institute of Competitiveness He was BCG's Vice-Chairman Energy from July 2016 to December 2018, previously he was the global leader of the energy practice from January 2008 to July 2016 and leader of EMEA (Europe, Middle East and Africa) between 2004 and 2007 With more than thirty years' experience in the energy and environment sector, he has helped companies in the energy sector to develop their strategic visions and implement them in their organizations. He has advised governments and regulators worldwide on matters related to energy regulation and sustainable development. In 2013, he was included in the Top 25 of the most influential consultants by Consulting magazine. He is a regular speaker on energy, environment and geopolitical issues in forums such as IEF (International Energy Forum), WPC (World Petroleum Council), IEF-IEA-OPEC dialog, GECF (Gas Exporting Countries Forum), IGU (International Gas Union), ESADEGeo, Aspen Institute, AMER (Asian Ministerial Energy Round Table). He is a Doctor Cum Laude in Economics and Business from the Autonomous University of Madrid and won the Extraordinary Award for his Degree. He is a Director of Repsol and ENSO and Chairman of the International Advisory Board of the T2 Energy Transition Fund. As non-remunerated activities, he is a Director of the Basque Energy Agency, a member of the Board of Trustees of TECNALIA, a member of the governing council of Deusto University, the Board of Trustees of the ESADE Foundation and the International Advisory Board of the Denmark Innovation Fund for Economic Sciences. Honorary Doctorate from the University of Stuttgart (2008), he began his professional career as Head of Purchasing at Adam Opel AC in Rüsselsheim in 1979. From 1980 to 1993, he carried out diverse duties at Opel and GM Europe and in the USA, becoming World Executive Purchasing Director at GM Corporation in Detroit (USA). In 1993, he went to work for Volkswagen as Head of the Group's 'Electrics/ Electronics' purchasing area. From 1997 to 2007, he was a member of the Executive Committee of the Volkswagen brand, becoming Vice-President of the Volkswagen Group since 2001. On the other hand, in 1995, he was appointed Executive Vice-President of SEAT, S.A., becoming Director in 1997 and President of the Board from 2007. He was also President of Volkswagen Navarra and of VGED (Volkswagen Group Spain Distribution) and member of the Board of Directors of Audi AG, FAW Volkswagen (China), Shanghai Volkswagen and Scania AB, as well as the Supervisory Board of Porsche AG. He was also President of the Board of Directors of Volkswagen Brazil and Volkswagen Argentina. Between June 2009 and July 2012, he was President of ANFAC (Spanish Association of Automobile and Truck Manufacturers) and later a member of it. He also held a leading position on the German automotive manufacturers association (VDA). In 2009, he was appointed President of the Wolfsburg soccer team, a position which he held until 2018. Francisco Javier García Sanz left all his responsibilities at VW Group on April 12, 2018. He has been a Director of Criteria Caixa and is currently a Director of Fena Zaragoza, Hochtief AG, Acerinox and Indra Sistemas.
MR. MANUEL MOREU MUNAIZ	PhD in Naval Engineering from the Higher Technical School of Naval Engineers (ETSIN) of the Technical University of Madrid and a Master's Degree in Marine Engineering from the Massachusetts Institute of Technology (MIT). He is currently a Director and member of the Executive Delegate and Remunerations Committees and President of Seaplace S.L., H.I. Ingeniería y Proyectos S.L and Howard Ingeniería y Desarrollo S.L and of Heath Wind SL. He has been a member of the Board of Directors of Iberdrola Renovables S.A. ( 2007-2011) and Director and member of the Audit and Compliance Committee of Gamesa Corporación Tecnológica, S.A. (2013-2015). He has been the Head of the Technical Department of Sociedad Española de Clasificación y Registro de Buques, Artefactos Flotantes e Ingenios Oceánicos, S.A. (Fidenavis) and in the Technical Management of Seaplace. On a teaching level, he is a professor on the Maritime Law Master's Degree at the Spanish Maritime Institute and the Pontifical University of Comillas and of the Oil Master's Degree at the Higher Technical School of the School of Mines at UPM and the Repsol Oil Master's Degree. He presided over the Spanish Institute of Engineering from 2012 to 2016 and was the Dean of the Official Spanish Association of Naval and Ocean Engineers from 2006 to 2010.

Total number of independent directors	8
% of the entire Board	72.73



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Indicate whether any Director classified as independent receives any amount or benefit from the company or from any company in its group, other than remuneration as a Director, or has, or has had, a business relationship with the company or with any company of its group, during the last financial year, either in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, a reasoned statement by the Board explaining why it considers that the Director in question can perform his/her duties as an independent Director shall be included.

Name or company name of the Director	Description of the relationship	Reasoned statement
MR. IVAN MARTEN ULIARTE	Mr. Marten receives an additional remuneration other than that of a Director for strategic advice to the company, which is disclosed in the remuneration report.	The Board of Directors of TUBACEX considers that remuneration for strategic advice does not call into question or compromise the independence of the Board due to its amount and the impact that this amount has on the Director's remuneration.

**OTHER EXTERNAL DIRECTORS**

Identify the other external directors and indicate the reasons why they cannot be considered proprietary or independent directors, and detail their ties with the company, its management or its shareholders:

Name or company name of the Director	Reasons	Company, manager or shareholder to whom the Director is related	Profile
No data			

Total number of other external directors	N/A
% of the entire Board	N/A

Indicate any changes in each Director's category during the period:

Name or company name of the Director	Date of change	Previous category	Current category
No data			

C.1.4. Complete the following table with information regarding the number of female directors at the close of the past 4 financial years, as well as their category:

	Number of female directors				% of the total directors for each category			
	2023 Financial Year	2022 Financial Year	2021 Financial Year	2020 Financial Year	2023 Financial Year	2022 Financial Year	2021 Financial Year	2020 Financial Year
Executive Directors					0.00	0.00	0.00	0.00
Proprietary Directors	2	2	2	2	100.00	100.00	100.00	100.00
Independent Directors	2	2	1	2	25.00	25.00	12.50	25.00
Other External Directors					0.00	0 (00)	0.00	0.00
<b>Total</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>36.36</b>	<b>36.36</b>	<b>27.27</b>	<b>33.33</b>

C.1.5 Indicate whether the company has diversity policies in relation to the company's Board of Directors on such questions as age, gender, disability or professional training and experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least on the policy they have implemented in relation to gender diversity.

- [√] Yes
- [ ] No
- [ ] Partial policies



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If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results for the financial year. Also indicate the specific measures adopted by the Board of Directors and the Appointments and Remunerations Committee to achieve a balanced and diverse presence of Directors.

If the company does not apply a diversity policy, explain the reasons for not doing so.

**Description of policies, objectives, measures and how they have been applied, and the results obtained**

The Director Candidate Selection Policy approved by the Board of Directors expressly states that the composition of the Board shall be analyzed at all times and that individuals who meet the necessary conditions and whose appointment favors the diversity of knowledge, experience, origins, nationalities and gender within the Board of Directors shall be sought.

The Director Candidate Selection Policy will ensure that the number of independent Board Members continues to represent at least fifty percent of the total number of members of the Board of Directors and will continue to encourage the progressive inclusion of women. It is under this guideline that the Appointments and Remunerations Committee has been evaluating the inclusion of female candidates in the selection processes for Directors to fill vacancies, who will always meet the same requirements that the Board of Directors demanded or required at any given time. The result has been satisfactory insofar as there are currently four female and seven male Directors.

C.1.6. Explain the measures, if any, agreed by the Appointments Committee to ensure that the selection procedures do not contain hidden biases that hinder the selection of female directors, and that the company deliberately seeks and includes women who meet the professional profile among the potential candidates, making it possible to achieve a balance between women and men. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

**Explanation of measures**

The Appointments and Remunerations Committee has been applying measures in the selection of candidates for Directors in order to incorporate women who meet the professional profiles required at each moment. At December 31, 2023, there was one woman in the company's Senior Management.

When there are few or no female Directors or senior executives despite the measures adopted, if any, explain the reasons:

**Explanation of reasons**

The percentage of women on the Board is 36.36% and after reviewing the concept of Senior Management, this segment amounts to 9.09%.

C.1.7. Explain the conclusions of the Appointments Committee regarding the verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The results of the various actions carried out by the Appointments and Remunerations Committee in each selection process are evidence of compliance with the policy.

C.1.8. If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders whose shareholding is less than 3% of the share capital:

Name of company name of the shareholder	Reason
No data	



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Indicate whether formal requests for presence on the Board have been received from shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, describe the reasons why such requests have not been met:

[ ] Yes  
[√] No

C.1.9. Indicate the powers, if any, delegated by the Board of Directors, including those related to the option of issuing or repurchasing shares, to Directors or Board Committees:

Name of company name of the Director or Committee	Brief description
JESÚS ESMORIS ESMORIS	All powers except those that cannot be delegated pursuant to the Corporations Act.

C.1.10. Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of the Director	Company name of the group entity	Position	Does the Director have executive powers?
MR. JESÚS ESMORIS ESMORIS	ACERÍA DE ÁLAVA S.A.U.	SOLE ADMINISTRATOR	YES
MR. JESÚS ESMORIS ESMORIS	CFT SERVICIOS INMOBILIARIOS S.A.U.	SOLE ADMINISTRATOR	YES
MR. JESÚS ESMORIS ESMORIS	TUBACEX TUBOS INOXIDABLES S.A.U.	SOLE ADMINISTRATOR	YES
MR. JESÚS ESMORIS ESMORIS	TUBACEX TAYLOR ACCESORIOS S.A.U.	SOLE ADMINISTRATOR	YES
MR. JESÚS ESMORIS ESMORIS	IBF SPA	BOARD MEMBER	YES
MR. JESÚS ESMORIS ESMORIS	FUNDACIÓN EIC ENERGY ADVANCED ENGINEERING	CHAIRMAN	NO
MR. JESÚS ESMORIS ESMORIS	TUBACEX SERVICE SOLUTIONS S.A.	SOLE ADMINISTRATOR	YES
MR. JESÚS ESMORIS ESMORIS	TUBACEX UPSTREAM TECHNOLOGIES S.A.	CHAIRMAN	NO
MR. JESÚS ESMORIS ESMORIS	SCHOELLER BLECKMANN EDELSTAHLROHR GMBH	BOARD MEMBER	NO
MR. JESÚS ESMORIS ESMORIS	TUBACEX MIDDLE EAST HOLDING S.L.	SOLE ADMINISTRATOR	YES
MR. JESÚS ESMORIS ESMORIS	NTS EUROPE HOLDING S.L.	SOLE ADMINISTRATOR	YES
MR. JESÚS ESMORIS ESMORIS	HYVALUE GASTEIZ S.L.	BOARD MEMBER	YES
MR. JESÚS ESMORIS ESMORIS	TUBACEX SERVICES S.L.	BOARD MEMBER	NO
MR. JESÚS ESMORIS ESMORIS	TUBACEX DESARROLLOS S.L.	SOLE ADMINISTRATOR	YES
MR. JESÚS ESMORIS ESMORIS	HYVALUE TUBACEX IET S.L.	BOARD MEMBER	NO
MR. JESÚS ESMORIS ESMORIS	KERACOAT S.L.	BOARD MEMBER	NO
MR. JESÚS ESMORIS ESMORIS	TUBACOAT S.L.	SOLE ADMINISTRATOR	YES
MR. JESÚS ESMORIS ESMORIS	TUBACEX ADVANCED SOLUTIONS S.L.	SOLE ADMINISTRATOR	YES
MR. JESÚS ESMORIS ESMORIS	TUBACEX SERVICE SOLUTIONS HOLDING S.L.	SOLE ADMINISTRATOR	YES
MR. JESÚS ESMORIS ESMORIS	TUBACEX SERVICIOS DE GESTIÓN S.L.	SOLE ADMINISTRATOR	YES



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Name or company name of the Director	Company name of the group entity	Position	Does the Director have executive powers?
MR. JESÚS ESMORIS ESMORIS	FUNDACIÓN TUBACEX	TRUSTEE	NO
MR. JESÚS ESMORIS ESMORIS	TUBACEX SBER GMBH	CHAIRMAN	NO
MR. JESÚS ESMORIS ESMORIS	TUBACEX INNOVACIÓN S.L.	REPRESENTATIVE OF THE SOLE ADMINISTRATOR	YES

**C.1.11.** List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's Board of Directors in other entities, whether or not they are listed companies:

Identity of the Director or Representative	Company name of the listed or non-listed entity	Position
MR. FRANCISCO JAVIER GARCÍA SANZ	INDRA SISTEMAS S.A.	BOARD MEMBER
MR. FRANCISCO JAVIER GARCÍA SANZ	ACERINOX S.A.	BOARD MEMBER
MR. FRANCISCO JAVIER GARCÍA SANZ	FERSA BEARINGS	CHAIRMAN
MR. FRANCISCO JAVIER GARCÍA SANZ	HOCTIEF AG	BOARD MEMBER
MR. MANUEL MOREU MUNAIZ	IBERDROLA S.A.	BOARD MEMBER
MR. MANUEL MOREU MUNAIZ	SEAPLACE, S.L.	CHAIRMAN
MR. MANUEL MOREU MUNAIZ	H.I. DE IBERIA INGENIERÍA DE PROYECTOS S.L.	SOLE ADMINISTRATOR
MR. MANUEL MOREU MUNAIZ	HOWARD ENGINEERING AND DEVELOPMENT S.L.	SOLE ADMINISTRATOR
MR. IVAN MARTEN ULIARTE	REPSOL, S.A.	BOARD MEMBER
MR. IVAN MARTEN ULIARTE	ENSO GLOBAL ENERGY SOLUTIONS S.L.	BOARD MEMBER
MR. IVAN MARTEN ULIARTE	BASQUE ENERGY AGENCY (EVE)	BOARD MEMBER
MS. GRACIA LÓPEZ GRANADOS	AVALMADRID SOCIEDAD DE GARANTÍA RECIPROCA	BOARD MEMBER
MR. ANTONIO MARÍA PRADERA JAUREGUI	CIE AUTOMOTIVE S.A.	CHAIRMAN
MR. ANTONIO MARÍA PRADERA JAUREGUI	GLOBAL DOMINION ACCESS S.A.	CHAIRMAN
MR. ANTONIO MARÍA PRADERA JAUREGUI	CORPORACIÓN FINANCIERA ALBA S.A.	BOARD MEMBER
MR. ANTONIO MARÍA PRADERA JAUREGUI	FULLSTEP NETWORKS, S.A.	BOARD MEMBER
MR. ANTONIO MARÍA PRADERA JAUREGUI	Instituto Sectorial de promoción y gestión de empresas DOS, S.A.	BOARD MEMBER
MR. ANTONIO MARÍA PRADERA JAUREGUI	INVERSIONES ESTRATEGIA Y CONOCIMIENTO GLOBAL CYP, S.L.	BOARD MEMBER
MR. ANTONIO MARÍA PRADERA JAUREGUI	GRUPO INVERSIONES INSSEC S.L.	BOARD MEMBER
MR. JORGE SENDAGORTA GOMENDIO	DEAGAN SCR, S.A.	BOARD MEMBER
MR. MANUEL MOREU MUNAIZ	HEATH WIND S.L.	CHAIRMAN
MR. JOSÉ TORIBIO GONZÁLEZ	AGRIFEEED S.L.	BOARD MEMBER
MR. JESÚS ESMORIS ESMORIS	APD ASOCIACIÓN PARA EL PROGRESO DE LA DIRECCIÓN	BOARD MEMBER
MR. JESÚS ESMORIS ESMORIS	UNESID S.A.	DEPUTY CHAIRMAN
MR. JESÚS ESMORIS ESMORIS	NAVACEL PROCESS INDUSTRIES S.A.	BOARD MEMBER
MR. JESÚS ESMORIS ESMORIS	GEO ELECTMOVE S.L.	JOINT ADMINISTRATOR
MR. JESÚS ESMORIS ESMORIS	MEDIA DUCIA S.L.	JOINT ADMINISTRATOR





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Indicate, where appropriate, any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the table above.

Identity of the Director or Representative	Other remunerated activities
MR. MANUEL MOREU MUNAIZ	UNIVERSITY MASTER'S DEGREE TEACHING ACTIVITY
MS. GRACIA LÓPEZ GRANADOS	INSTITUTE OF DIRECTORS AND ADMINISTRATORS TEACHING ACTIVITY
MR. JOSÉ TORIBIO GONZÁLEZ	ASSET MANAGER AGENT BANKINTER

C.1.12. Indicate whether the Company has established rules regarding the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes  
 No

Explanation of the rules and identification of the document where this is regulated.

Article 26.4 of the Regulations of the Board of Directors establishes a maximum limit of five boards, which does not apply to subsidiaries of a group of companies. This limit may be waived by the Board of Directors following a report from the Appointments and Remunerations Committee.

C.1.13. Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accrued in favor of the Board of Directors in the financial year (thousands of euros)	3 637
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	149
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	
Funds accumulated by former directors through long-term savings systems (thousands of euros)	

C.1.14. Identify the members of the senior management who are not also executive directors, and indicate their total remuneration accrued during the financial year:

Name or company name	Position(s)
MR. MANUEL SARABIA FIGUEROA	HR CORPORATE DIRECTOR AND MD TRADING AND SERVICES
MR. ANTÓN AZLOR VILLA	COMMERCIAL CORPORATE DIRECTOR
MR. IKER AZKARCORTA VITERI	MANAGING DIRECTOR BIG PIPES&FITTINGS
MR. DIEGO HERRERO DE LA TORRE	INNOVATION CORPORATE MANAGING DIRECTOR
MR. GUILLERMO RUIZ-LONGARTE PÉREZ	CHIEF FINANCIAL OFFICER
MR. JAVIER LORENZO SANTIAGO	MANAGING DIRECTOR AMERICAS
MR. CELESTINO DANIS BASURKO	MANAGING DIRECTOR STEEL&EXTRUSION
MR. MIGUEL GÓMEZ LACABEX	IOM AND M&A DIRECTOR
MR. AJAY SAMBRANI	ASIA&MIDDLE EAST MANAGING DIRECTOR
MR. JUAN ANTONIO COMEZ-CORDOBES MUELLER	TUBACEX MIDDLE EAST MANAGER
MS.ANA LÓPEZ DE MENDOZA LABURU	RISKS AND INTERNAL CONTROL MANAGER

Number of women in senior management	1
Percentage of total senior management	9 09
Total senior management remuneration (thousands of Euros)	6,757



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED PUBLIC COMPANIES

C.1.15. Indicate whether the Regulations of the Board of Directors have been amended during the financial year:

Yes  
 No

C.1.16. Indicate the procedures for the selection, appointment, re-election and removal of Directors. List the competent bodies, the procedures to be followed and the criteria applied in each procedure.

### Chapter VI.- DESIGNATION AND TERMINATION OF DIRECTORS -

#### Appointment of Directors.-

1.- The Directors shall be appointed by the General Meeting or by the Board of Directors, according to the provisions set out in the Corporations Act.

2.- Director appointment proposals submitted by the Board of Directors for approval at the AGM and appointment decisions made by virtue of legally granted co-option powers shall be preceded by the corresponding proposal of the Appointments and Remunerations Committee.

Should the Board deviate from the recommendations made by the Appointments and Remunerations Committee, a justification of their decision must be given and recorded in the minutes.

#### Appointment of external directors.-

1.- The Board of Directors and Appointments and Remunerations Committee, within the scope of their powers, shall ensure that the chosen candidates are people of renowned solvency, competence and experience, being especially rigorous when seeking to cover the post of independent advisor as set out in Article 8 of these Regulations.

2.- The Board of Directors may not propose or appoint as independent board member anybody who has any relationship with the company management or who are found to have family, professional or commercial links to the executive directors or other members of the company senior management.

- a) individuals who have been employees or executive directors in companies of the group unless a period of 3 or 5 years has elapsed since their termination;
- b) individuals who are or have been partners of the company external auditor or any other group company in the last three years;
- c) effective directors or senior officers of another company in which an executive director or senior manager of the company is an external director;
- d) any amount or benefit other than director's remuneration from the company or its group, unless it is insignificant;
- e) individuals who have or have had a significant business relationship with the company on their own behalf or through a company in which they are significant shareholders;
- f) individuals who have directly or indirectly made or received payments or donations from the company through companies in which they are significant shareholders during the past three years and which may compromise their independence;
- g) individuals who have other relationships within the company which in the view of the Appointments and Remunerations Committee may impair their independence;
- h) spouses or individuals with a similar relationship of affection or second-degree relatives of an executive director or senior manager of the company;
- i) individuals who have not been proposed either for appointment or renewal by the Appointments and Remunerations Committee.

Independent directors may no longer be considered as such when they have been independent for a continuous period of more than 12 years.



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED PUBLIC COMPANIES

### Term of office.-

1.- Board members shall carry out their duties for a maximum term of four years, whereby they may be re-elected. A Board member cannot be appointed or re-elected to the Board if he/she has turned 70. 65 in the case of executive directors, although they may terminate the term of office for which they were appointed. This limitation shall not apply to proprietary directors.

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 period of two years.

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

### Removal of Board Members.-

1.- Board members shall be removed from the post when the period for which they were appointed has elapsed and when the AGM or the Board of Directors decides to terminate their position, exercising the powers legally or statutorily conferred on them.

The appointment of the directors shall expire when the term has expired, the next General Meeting has been held or the legal term for holding the Meeting that must resolve the approval of the previous year's accounts has elapsed 2- Board members must place their position at the disposal of the Board of Directors and, if the latter deems it appropriate, formalize the corresponding resignation in the following cases:

- a) When they cease to hold the executive positions to which they were appointed.
- b) When they are involved in any incompatible or prohibited situations set out by law.
- c) When they are convicted of a criminal offense or are responsible for serious or very serious misconduct by a final decision of the supervisory authorities.
- d) When they are seriously reprimanded by the Audit and Compliance Committee for having breached their obligations as Board Members.
- e) When their presence on the Board may jeopardize the interests of the Company or when the reasons for which they were appointed cease to exist.

C.1.17. Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organization and in the procedures applicable to its activities:

#### Description of amendments

TUBACEX has been carrying out its self-assessment as a measure of its Board of Directors' performance since 2002. This practice included the evaluation of the activities carried out by the different committees as well as those of the Chairman and Chief Executive Officer. Each year, the Board has carried out an analysis in the first quarter of the year ever since to be shared at the Board plenary. Based on the conclusions of this evaluation, an action plan will be drawn up to be carried out during the financial year, incorporating organizational measures, issues to be intensified, as well as other good practices at a corporate governance level. The assessment related to the 2022 financial year has been carried out internally without the help of an expert advisor.

Describe the evaluation process and the areas evaluated by the Board of Directors, helped, if applicable, by an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

#### Description of the evaluation process and areas evaluated

On this occasion, the evaluation has been carried out internally by means of questionnaires and personal meetings. In any case, it analyzes the composition, functioning and competencies of the four delegated bodies as well as the administrative body itself. It also evaluates the statutory roles, i.e. Chairman, Chief Executive Officer and Secretary of the Board.

C.1.18. Provide details for those years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or any company in its group maintains with the company or any company in its group.

The evaluation for the 2022 financial year was conducted internally, without the help of an external advisor.



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C.1.19. Indicate the circumstances under which the resignation of Directors is mandatory.

Removal of Board Members.

1.- Board members shall be removed from the post when the period for which they were appointed has elapsed and when the AGM or the Board of Directors decides to terminate their position, exercising the powers legally or statutorily conferred on them.

The appointment of Board members will terminate when the term has expired, the next General Meeting has been held or the legal term for holding the Meeting that must resolve the approval of the previous year accounts has elapsed.

2.- Board members must place their position at the disposal of the Board of Directors and, if the latter deems it appropriate, formalize the corresponding resignation in the following cases:

- a) When they cease to hold the executive positions to which they were appointed.
- b) When they are involved in any incompatible or prohibited situations set out by law.
- c) When they are convicted of a criminal offense or are responsible for serious or very serious misconduct by a final decision of the supervisory authorities.
- d) When they are seriously reprimanded by the Audit and Compliance Committee for having breached their obligations as Board Members.
- e) When their presence on the Board may jeopardize the interests of the Company or when the reasons for which they were appointed cease to exist.

C.1.20. Are qualified majorities, other than those established by law required for any particular kind of decision?

- Yes
- No

If so, describe the differences.

C.1.21. Explain whether there are any specific requirements, other than those relating to Directors, to be appointed as Chairman of the Board of Directors:

- Yes
- No

C.1.22. Indicate whether the Articles of Association or the Regulations of the Board of Directors establish any age limits for Directors:

- Yes
- No

	Age limit
Chairman	70
Chief Executive Officer	65
Board Member	70

C.1.23. Indicate whether the Articles of Association or the Regulations of the Board of Directors establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

- Yes
- No

C.1.24. Indicate whether the Articles of Association or the Regulations of the Board of Directors establish specific rules for appointing other directors as proxies to vote in the Board of Directors in favor of other directors, the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limitation has been established regarding the categories of director to whom votes may be delegated, beyond the limitations imposed by law. If so, briefly describe these rules.



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The Company's Articles of Association and the Regulations of the Board of Directors do not establish any additional limitations to the normal proxy voting rules established by the Corporations Act.

C.1.25. Indicate the number of meetings held by the Board of Directors during the financial year.

In addition, specify the number of meetings, if any, at which the Chairman was not in attendance: Proxies granted with specific instructions shall be counted as attended.

Number of Board meetings	10
Number of Board meetings held at which the Chairman was not in attendance	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings 0

Indicate the number of meetings held by the different committees of the Board during the financial year:

Number of meetings of the AUDIT AND COMPLIANCE COMMITTEE	11
Number of meetings of the STRATEGY AND MONITORING COMMITTEE	2
Number of meetings of the APPOINTMENTS AND REMUNERATIONS COMMITTEE	9
Number of meetings of the SUSTAINABILITY AND GOOD GOVERNANCE COMMITTEE	6

C.1.26. Indicate the number of meetings held by the Board of Directors during the financial year and details of member attendance:

Number of meetings attended in person by at least 80% of the Board Members	10
% of attendance in person over total votes during the financial year	99.09
Number of meetings attended in person, or with proxies with specific instructions, by all Board Members	10
% of votes cast with attendance in person and proxies cast with specific instructions, over the total votes cast during the financial year	99.09

C.1.27. Indicate whether the individual and consolidated financial statements submitted to the Board of Directors for formulation have been certified in advance:

Yes  
 No

Identify, if applicable, the person/persons who certified the individual and consolidated financial statements of the Company for their formulation by the Board:

C.1.28. Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements that the Board of Directors submits to the Shareholders' General Meeting are prepared in accordance with accounting regulations.

The financial statements that the Board of Directors presents to the Shareholders' Meeting have always been audited in accordance with the applicable accounting standards.



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C.1.29. Is the Secretary of the Board also a Director?

- Yes  
 No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
MS. MAIDER CUADRA ETXEBARRENA	

C.1.30. Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, as well as any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

The Board of Directors has delegated its Audit and Compliance Committee to guarantee the independence of the external auditors and to take the appropriate measures in the proposal for the appointment of auditors that the Board subsequently submits to the Shareholders' General Meeting.

C.1.31. Indicate whether the Company has changed its external auditor during the financial year. If so, identify the incoming and the outgoing auditors:

- Yes  
 No

If there has been any disagreement with the outgoing auditor, explain their content:

- Yes  
 No

C.1.32. Indicate whether the audit firm performs any non-audit work for the Company and/or its Group. If so, state the amount of the fees received for such work and the percentage they represent of the total fees invoiced to the Company and/or its Group for audit work.

- YES  
 No

	Company	Group companies	Total
Amount of other non-audit work (thousands of Euros)	167	78	245
Amount invoiced for non-audit work / Amount invoiced for audit work (in %)	108.00	22.00	48.00

C.1.33. Indicate whether the auditors' report on the Financial Statements for the preceding financial year contains a qualified opinion or any reservations. If so, indicate the reasons given to the shareholders by the Chairman of the Audit Committee to explain the content and scope of the qualified opinion or reservations.

- Yes  
 No

C.1.34. Indicate the number of consecutive years for which the current audit firm has been auditing the Company's individual and/or consolidated financial statements. Also indicate the percentage represented by the number of years audited by the current firm as a percentage of the total number of years in which the financial statements have been audited:



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	Individual	Consolidated
Number of consecutive years	3	3
Number of financial years audited by the current audit firm / Number of financial years that the company or its group has been audited (in %)	6.82	7.14

C.1.35. Indicate whether there is any procedure for Directors to obtain sufficiently in advance the information required to prepare for meetings of management-level decision-making bodies and, if so, describe it:

- Yes  
 No

**Details of the procedure**

The members of the Board of Directors are vested with the broadest powers of information in accordance with the provisions of the Regulations of the Board of Directors. The documentation of the meetings is provided in advance through a documentation sharing tool, which is kept up to date at all times. In addition, the directors may submit their requests for information through the Chairman or the Secretary of the Board.

C.1.36. Indicate and, if so, provide details on whether the company has established rules obliging directors to inform and, if applicable, resign when situations arise that affect them, whether or not related to their performance in the company that might harm the standing and reputation of the company:

- Yes  
 No

**Explain the rules**

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:

- When they have reached the age of 70 and have completed their term of office.
- When they cease to hold the executive positions to which they were appointed.
- When they are involved in any incompatible or prohibited situations set out by law.
- When they are convicted of a criminal offense or are responsible for serious or very serious misconduct by a final decision of the supervisory authorities.
- When they are seriously reprimanded by the Audit and Compliance Committee for having breached their obligations as Board Members.
- When their presence on the Board may jeopardize the interests of the Company or when the reasons for which they were appointed cease to exist.

C.1.37. Unless there have been special circumstances that have been duly recorded in the minutes, indicate whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to his or her performance in the company, which might harm the standing and reputation of the company:

- Yes  
 No

C.1.38. Detail any significant agreements entered into by the Company which take effect, are modified or terminated upon a change of control of the Company following a public takeover bid, and their effects.

None

C.1.39. Identify individually, when referring to directors, and in aggregate form in all other cases and indicate, in detail, the agreements between the company and its directors, executives or employees that provide for indemnities, guarantee or golden parachute clauses, when they resign or are dismissed unfairly or if the contractual relationship comes to an end as a result of a takeover bid or other type of transaction.



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Number of beneficiaries	1
Type of beneficiary	Description of the agreement
Chief Executive Officer	The Chief Executive Officer's contract includes an indemnity clause applicable in the event of involuntary and/or unjustified dismissal by the Board of Directors or the General Meeting of Shareholders.

Indicate whether, beyond the cases established by law, such agreements must be reported to and/or approved by the governing bodies of the Company or its Group: If so, specify the procedures, the cases envisaged and the nature of the bodies responsible for approval or communication:

	Board of Directors	General Shareholders' Meeting
Body authorizing the clauses	√	

	Yes	No
Are the clauses reported to the General Shareholders' Meeting?		√

**C.2. Committees of the Board of Directors**

C.2.1. Provide details of all committees of the Board of Directors, their members and the proportion of executive, proprietary, independent and other external directors forming them:

AUDIT AND COMPLIANCE COMMITTEE		
Name	Position	Category
MR. JOSÉ TORIBIO GONZÁLEZ	BOARD MEMBER	Independent
MS. GRACIA LÓPEZ GRANADOS	CHAIRWOMAN	Independent
MS. NURIA LÓPEZ DE GUEREÑU ANSOLA	BOARD MEMBER	Independent
MR. MANUEL MOREU MUNAIZ	BOARD MEMBER	Independent

% of executive directors	000
% of proprietary directors	0.00
% of independent directors	100.00
% of other external directors	0.00

Explain the functions assigned to this committee, including, where applicable, those that are additional to those provided for by law, attributed to this committee, and describe the procedures and rules for its organization and functioning. For each of these functions, indicate its most important actions during the financial year and how it has exercised in practice each of the functions attributed to it, either by law or in the Articles of Associations or in other corporate resolutions.

1. The Committee has the duty of supporting the Board of Directors in the supervision of the matters set out in the Law, in the Articles of Association and in these Regulations, notwithstanding other tasks it is assigned by the Board of Directors.

2. Notwithstanding any other tasks that it may be assigned by the Board of Directors and which are attributed to it by means of the applicable legal provisions, the Committee shall exercise the following basic duties:

- a) Report to the Shareholder's General Meeting on matters raised at the Meeting and in relation to those matters that fall within its scope, and, particularly regarding the results of the audit, explaining how it has contributed to the integrity of the financial information and the function performed by the Committee in this process.
- b) Oversee the effectiveness of the Company's internal control, internal audit and risk management systems and discuss with the auditor any significant weaknesses in the internal control system detected in the course of the audit, all of which without infringing on its independence. For such purposes, and where appropriate, recommendations or proposals may be submitted to the management body and the corresponding term for their monitoring.
- c) Oversee the process of preparing and presenting mandatory financial information and submit recommendations or proposals to the Board of Directors intended to safeguard its integrity.





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- d) Submit to the Board of Directors proposals for the selection, appointment, re-election or replacement of the accounts auditor, taking responsibility for the selection process in accordance with the legal provisions, as well as the terms for hiring, and regularly obtain information from the auditor regarding the audit plan and its implementation, in addition to preserving the independence of the auditor in the performance of its duties.
- e) Establish appropriate relations with the external auditor in order to receive, for review by the Committee, information on all matters that may pose a threat to its independence, as well as any other matters relating to the audit procedure, and when applicable, authorization of services other than those that are prohibited, upon the terms contemplated in auditing legislation and auditing rules.

In any event, external auditors must issue an annual declaration of their independence with regards the Company or entities directly or indirectly related thereto, as well as detailed and itemized information regarding additional services of any kind provided and the corresponding fees received from such entities by the external auditor or by the persons or entities related thereto, pursuant to the provisions of the regulations governing the auditing of accounts.

- f) Issue an annual report, prior to the issue of the audit report, expressing an opinion on whether the independence of the accounts auditors or auditing companies has been compromised. This report must include a reasoned assessment of the provisions of each and every one of the additional services referred to in the previous point, both individually and as a whole, other than the legal audit and regarding the rules on independence or regulations on the auditing activity.
- g) Report on related-party transactions that must be approved by the General Meeting or the Board of Directors and oversee the company's internal procedure for those whose approval has been delegated.
- h) Report in advance to the Board of Directors regarding all matters set out by law, in the Articles of Association and in the Regulations of the Board, and in particular, regarding: 1) The financial information and the management report, which shall include, where appropriate, the mandatory non-financial information that the company must periodically disclose; and 2) The creation or acquisition of shares in special purpose entities or those domiciled in countries or territories that are considered tax havens.

The Audit Committee shall not exercise the duties set out in point h) herein or in the previous point when such duties are attributed to another committee in the Articles of Association.

- i) Oversee Internal Auditing and the Duty of Compliance, which report functionally to the Committee.

Identify the directors who are members of the Audit Committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this Committee was appointed.

Names of directors with experience	MS. GRACIA LÓPEZ GRANADOS
Date of appointment of the Chairperson	June 29, 2022

APPOINTMENTS AND REMUNERATIONS COMMITTEE		
Name	Position	Category
MR. JORGE SENDAGORTA GOMENDIO	BOARD MEMBER	Independent
MR. JOSÉ TORIBIO GONZÁLEZ	CHAIRMAN	Independent
MS. GEMA NAVARRO MANGADO	BOARD MEMBER	Proprietary Director

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other external directors	0.00



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Explain the functions delegated or assigned to this committee, including, where applicable, any that are additional to those provided for by law, and describe the rules and procedures for its organization and functioning. For each of these functions, indicate its most important actions during the financial year and how it has exercised in practice each of the functions attributed to it by law, in the Articles of Association or in other corporate resolutions.

Notwithstanding other tasks assigned by the Board, the Appointments and Remunerations Committee shall have the following basic responsibilities:

- a) Assess the skills, knowledge and experience required to sit on the Board of Directors, defining, accordingly, the duties and aptitudes required of the candidates to fill each vacancy, and evaluate the time and dedication required for them to perform their duties properly.
- b) Establish a representation target for the under-represented gender on the Board of Directors and draw up guidelines on how to reach this target.
- c) Submit proposals for the appointment of independent directors to the Board of Directors for their appointment by co-option or for their submission to the decision of the Shareholders' General Meeting, along with proposals for the re-election or removal of such directors by the Shareholders' General Meeting.
- d) Report on proposals for the appointment of the remaining directors for their appointment by co-option or for their submission to the decision of the Shareholders' General Meeting, along with proposals for their re-election or removal by the Shareholders' General Meeting.
- e) Report on proposals for the appointment and removal of senior executives and the basic terms and conditions of their contracts.
- f) Examine or organize the succession of the Chairperson of the Board of Directors and the Company's Chief Executive Officer and, where appropriate, put forward proposals to the Board of Directors so that the succession is orderly and well-planned.
- g) Propose to the Board of Directors the remuneration policy for directors and general managers or those who perform senior management duties under the direct supervision of the Board of executive committees or managing directors, as well as the individual remuneration and other contractual terms and conditions of executive directors, and ensure their compliance.
- h) Report on any transactions that imply or may imply conflicts of interests and, in general, on the matters contemplated in Chapter IX of the Board Regulations.
- i) Ensure that selection procedures do not hinder gender diversity and try to include female members with the appropriate professional profile among the potential candidates in each case;
- j) Guarantee the annual evaluation of the Board of Directors. The Committee should take into account suggestions made by the Chairperson, Board members, directors or company shareholders.

SUSTAINABILITY AND GOOD GOVERNANCE COMMITTEE		
Name	Position	Category
MS. NURIA LÓPEZ DE CUEREÑU ANSOLA	CHAIRWOMAN	Independent
MR. IVAN MARTEN ULIARTE	BOARD MEMBER	Independent
MS. ISABEL LÓPEZ PAÑOS	BOARD MEMBER	Proprietary Director
MS. GRACIA LÓPEZ GRANADOS	BOARD MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	25.00
% of independent directors	75.00
% of other external directors	0.00

Explain the functions delegated or assigned to this committee other than those already described in Section C.1.9, and describe the rules and procedures for its organization and functioning. For each of these functions, indicate its most important actions during the financial year and how it has exercised in practice each of the functions assigned to it by law, in the Articles of Association or in other corporate resolutions.

1. The Committee has the duty of supporting the Company's Board of Directors in the overseeing of ESG (Environment, Social, Governance) matters set out in the Law, in the Articles of Association and in these Regulations, notwithstanding other tasks it is assigned by the Board of Directors.
2. Notwithstanding any other tasks that it may be assigned by the Board of Directors and which are attributed to it by means of the applicable legal provisions, the Committee shall exercise the following basic duties:



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- a) Promote the Company's ESG policies so that they are geared towards value creation through sustainable behavior. Periodically analyze recommendations and best business practices in the area of Sustainability, in order to review the adequacy of the Group's policies and eventually propose the necessary adaptations.
- b) Ensure that the Group's Strategic Plan integrates and develops ESG policies in a coherent manner, in accordance with the guidelines approved by the Board of Directors. Regularly monitor and evaluate the level of compliance with the Group's actions in ESG matters.
- c) Understand, oversee and assess relations with the different stakeholders, as well as the communication and positioning strategy in relation to them, bearing in mind their legitimate interests.
- d) Guarantee that ESG risks are properly integrated in the Group's risk management and control models, and that they are considered in decision-making processes on potential investments and disinvestments. Guarantee that the Internal Audit function includes these risks in its review of the effectiveness and appropriateness of the Group's risk control processes and systems.
- e) Determine the guidelines, criteria and general principles that must prevail in the content of Non-Financial Information, as well as any other equivalent reporting system required by the legislation of other countries in which the Group is present. The same applies to those international reporting systems that have been considered of interest for the Group. Foster the implementation of reference indicators and frameworks.
- f) Work with the Tubacex Foundation in the identification of the elements of the Group's Strategy that may be implemented through specific ESG projects, so that it becomes an instrument of the sustainability policy.
- g) Foster the Group's fulfillment of the 17 Sustainable Development Goals approved by the UN ("SDG").

STRATEGY AND MONITORING COMMITTEE		
Name	Position	Category
MS. GEMA NAVARRO MANGADO	BOARD MEMBER	Proprietary Director
MR. ANTONIO MARÍA PRADERA JAURECUI	BOARD MEMBER	Independent
MR. JESÚS ESMORIS ESMORIS	BOARD MEMBER	Executive
MR. IVAN MARTEN ULIARTE	BOARD MEMBER	Independent
MR. FRANCISCO JAVIER GARCÍA SANZ	CHAIRMAN	Independent
MR. MANUEL MOREU MUNAIZ	BOARD MEMBER	Independent
MR. JORGE SENDAGORTA GOMENDIO	BOARD MEMBER	Independent

% of executive directors	14.29
% of proprietary directors	14.29
% of independent directors	71.43
% of other external directors	0.00

Explain the functions delegated or assigned to this committee other than those already described in section C.1.9, and describe the rules and procedures for its organization and functioning. For each of these functions, indicate its most important actions during the financial year and how it has exercised in practice each of the functions assigned to it by law, in the Articles of Association or in other corporate resolutions.

The Strategy and Investments Committee does not have any additional functions other than those set out in the Board Regulations. Its main actions throughout 2023 have been the analysis and monitoring of investments in order to report appropriately to the Board of Directors, along with overseeing the updating of the Group's Strategic Plan.

1-The Strategy and Investments Committee shall be comprised of at least three Board members of the Group. The Chairman of the Board of Directors will act as Chairman of the Strategy and Investments Committee, and the Secretary of the Board or the person appointed by the Committee will act as secretary.

2.- Notwithstanding any other tasks assigned by the Board, the Strategy and Investments Committee has the following basic responsibilities:



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- a) Propose the Company's medium and long-term Strategic Plans to the Board of Directors;
- b) Propose the annual investment budget of the companies that make up TUBACEX S.A.
- c) Propose disinvestments of the Company's substantial assets.
- d) Propose large-scale corporate transactions to the Board of Directors.

3- The Strategy and Investments Committee shall meet periodically as required and at least four times a year.

4- Any member of the management team or Company staff who is required to do so can attend the Committee meetings and provide their co-operation.

C.2.2. Complete the following table with the information regarding the number of female directors who were members of the Board of Directors' Committees at the end of the past four financial years:

	Number of female directors							
	2023 Financial Year		2022 Financial Year		2021 Financial Year		2020 Financial Year	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND COMPLIANCE COMMITTEE	2	50.00	2	66.66	1	33.33	1	25.00
APPOINTMENTS AND REMUNERATIONS COMMITTEE	1	33.33	1	33.33	2	50.00	1	33.33
SUSTAINABILITY AND GOOD GOVERNANCE COMMITTEE	3	75.00	2	50.00	0	0.00	0	0.00
STRATEGY AND MONITORING COMMITTEE	1	14.28	1	20.00	1	14.28	0	0.00

C.2.3. Indicate, where applicable, the existence of regulations governing Board committees, where such regulations can be consulted and any amendments made to them during the financial year. Also indicate whether any annual reports on the activities performed by each committee have been voluntarily prepared.

The Board Committees have their own Regulations separate from those of the Board of Directors, which are available on the Company's website at <https://www.tubacex.com/es/grupo-tubacex/gobierno-corporativo>. Annually, each committee issues a report on its activities for the year ended, which are made available to the Shareholders' General Meeting after approval by the Board of Directors.



#### **D. RELATED PARTY AND INTRA-GROUP TRANSACTIONS**

D.1. Explain, where appropriate, the procedure and competent bodies regarding the approval of related-party and intra-group transactions, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected directors or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the Board of Directors.

Any transaction that is susceptible to being considered as a related-party must be reported to the Audit and Compliance Committee as soon as possible for its analysis through its Secretary.

At least on a half-yearly basis, coinciding with the obligation of disseminating information on related-party transactions, the Audit and Compliance Committee shall review all of the transactions that have been reported to it.

Depending on the nature and amount of these transactions, the process to be followed for their review and approval shall be different:

Transactions whose approval has been delegated to the Audit and Compliance Committee by the Board of Directors:

- a) transactions between companies that form part of the same group which are performed within the scope of the ordinary course of business and market conditions;
- b) transactions agreed to pursuant to contracts with standardized terms and conditions that apply on an across-the-board basis to a large number of customers, are conducted at prices or rates established generally by the party acting as supplier of the goods or services in question, and the amount of which does not exceed 0.5 per cent of the Company's net turnover.

The Audit and Compliance Committee will verify the fairness and transparency of these transactions. In the event that it is concluded that the aforementioned requirements are met, no additional approval will be required.

2. Transactions whose approval lies with the Shareholders' General Meeting:

Related-party transactions whose amount or value is equal to or greater than 10% of the total asset items according to the last annual balance sheet approved by the Company shall lie with the Shareholders' General Meeting.

When a General Meeting is called to decide on a related-party transaction, the affected shareholder shall be deprived of the right to vote except in those cases in which the proposed resolution has been approved by the Board of Directors with a majority of the independent directors not voting against the proposal.

However, prior to the approval of a transaction, the Audit and Compliance Committee must draw up a transaction analysis report. In its report, the Audit and Compliance Committee must assess whether the transaction is fair and reasonable from the viewpoint of the Company and, if applicable, of shareholders other than the related party, and must disclose the assumptions upon which the evaluation is based and the methods used. The affected directors may not participate in the preparation of the report.

3. Transactions whose approval lies with the Board of Directors:

All transactions that are not identified in sections 1 and 2 above will be approved by the Board of Directors.

However, prior to the approval of a transaction, the Audit and Compliance Committee must draw up a transaction analysis report. In its report, the Audit and Compliance Committee must assess whether the transaction is fair and reasonable from the viewpoint of the Company and, if applicable, of shareholders other than the related party, and must disclose the assumptions upon which the evaluation is based and the methods used. The affected directors may not participate in the preparation of the report.

#### **5. DISCLOSURE OBLIGATIONS**

The Company must publicly announce no later than their time of performance, any related party transactions of the Company or companies of its group that reach or exceed:

- a) 5 percent of total asset items, or
- b) 2.5 percent of annual revenue.

The announcement must be made in an easily accessible place on the Company's

website and shall be reported to the National Securities Market Commission for

public dissemination.

The announcement must be accompanied by the report of the Audit and Compliance Committee and must include, at least, the following information:

- a) information regarding the nature of the transaction and the relationship with the related party,
- b) the identity of the related party,
- c) the date and the value or amount of the consideration for the transaction, and
- d) any other information as may be required to evaluate whether it is fair and reasonable from the viewpoint of the Company and of shareholders who are not related parties.

Regardless of the above, in accordance with the provisions set out in the applicable regulation, The Company must disseminate information on the related-party transactions performed during the year, at least through the following means:



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- a) All of the related-party transactions performed must be reported in the Company's Annual Report.
- b) Quantified information of all the transactions performed by the Company with related-parties must be included in the half-yearly reports, under the terms set out in the applicable legal provisions and without detriment to the information on related-party transactions to be included in other documents pursuant to the prevailing legal provisions.
- c) The Company's Corporate Governance Annual Report (CGAR) must include information on the Company's related-party transactions with its shareholders, Directors and management positions, as well as intra-group transactions.
- d) In the Report on related-party transactions which is issued by the Audit and Compliance Committee and which will be published on the corporate website in order to hold the Shareholders' Ordinary General Meeting.

D.2. Provide individual details of those transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the Board of Directors of the company, indicating which was the competent body to approve them and whether any affected shareholder or director abstained. In the event that the Board of Directors has responsibility, indicate if the proposed resolution has been approved by the Board without a vote against the majority of the independents:

Name or company name of the shareholder or of any of its subsidiaries	% Shareholding	Name or company name of the Company or entity within its Group	Amount (in thousands of Euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the Board, if any, has been approved by the Board without a vote against the majority of independents
No data						

Name or company name of the shareholder or of any of its subsidiaries	Nature of the relationship	Type of operation and other information required for its evaluation
No data		

D.3. Provide individual details of those transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those transactions carried out with entities that the administrator or manager controls or jointly controls, and indicating the competent body for their approval and whether any shareholder or director affected abstained. In the event that the Board of Directors has responsibility, indicate if the proposed resolution has been approved by the Board without a vote against the majority of the independents:

Name or company name of the administrators or managers or of their controlled or jointly controlled entities	Name or company name of the Company or entity within its Group	Relationship	Amount (in thousands of Euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the Board, if any, has been approved by the Board without a vote against the majority of independents
No data						



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Name or company name of the administrators or managers or of their controlled or jointly controlled entities	Nature of the operation and other information required for its evaluation.
No data	

D.4. Report individually on significant intra-group transactions, due to their amount or relevant due to their subject matter, carried out by the company with its parent company or with other entities belonging to the parent company's group, including the listed company's subsidiaries, except where no other related party of the listed company has an interest in such subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, any intra-group transaction carried out with entities established in countries or territories considered tax havens shall be reported:

Corporate name of the entity within the group	Brief description of the operation and other information required for its evaluation.	Amount (in thousands of Euros)
No data		

D.5. Provide individual details of any transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties in accordance with the International Accounting Standards adopted by the EU, which have not been reported in the previous sections.

Company name of the related party	Brief description of the operation and other information required for its evaluation.	Amount (in thousands of Euros)
NAVACEL PROCESS INDUSTRIES	Two industrial companies of the TUBACEX Group (Tubacex Taylor Accesorios SA and Tubacex Services SL) have carried out commercial and leasing operations with Navacel Dulantzi Offshore SLU, a sole shareholder company of Navacel, in which Mr. Esmoris holds a 20% shareholding.	135

D.6. Describe the mechanisms used to detect, determine and resolve potential conflicts of interest between the company and/or its Group, and its directors, managers, significant shareholders or other related parties.

The Board of Directors has delegated the Appointments and Remunerations Committee to deal with any possible conflict of interest. Likewise, the Internal Regulations of the Securities Market assign the management and timely transfer of conflicts of interest to its supervisory body.

Conflicts of interest.-

1.- Board members should refrain from contributing to or becoming involved in discussions related to issues where they have a personal interest.

A Board member will also be considered to have a personal interest when the issue affects his/her spouse, direct family members, or when the issue affects a company where the Board member or the above mentioned members of his/her family holds an executive post or has a significant share in the company.

2.- Board members shall not directly or indirectly carry out professional or commercial transactions with the company, unless they have previously reported the conflict of interests and the Board, prior to reporting the transaction to the Appointments and Remunerations Committee, approves the transaction.

D.7. Indicate whether the company is controlled by another entity within the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them.

Yes  
 No



## **E. RISK CONTROL AND MANAGEMENT SYSTEMS**

E.1. Explain the scope of the company's financial and non-financial Risk Control and Management System, including tax risk.

Risk management is essential in organizations and forms part of the basis of business strategy.

In December 2023, the Board of Directors updated the General Risk Control and Management Policy, in the attribution of its power to determine the Group's general policies and strategies, and specifically to determine the risk control and management policy, including tax risks, and the supervision of information and control systems.

This policy includes the basic principles and general framework of action for the control and management of all types of risks faced by the Company and the Group.

The Board of Directors of the Company approves the risk appetite and undertakes to develop all its capacities so that the relevant risks of all activities and businesses are appropriately identified, measured, managed and controlled, and establishes the mechanisms and basic principles for the appropriate management of the risk-opportunity combination with a level of risk that enables it to contribute to the following general objectives:

- a) Fulfill the strategic objectives determined by the Group with controlled volatility.
- b) Provide the maximum level of assurance to shareholders.
- c) Ensure sustained business stability and financial strength over time.
- d) Protect the Group's results and reputation.
- e) Reduce the negative impact on the Company's economic activity.

For the development of the aforementioned, the Board of Directors has the cooperation of the Audit and Compliance Committee, which monitors and reports on the appropriateness of the system for assessment and internal control of significant risks.

On December 27 2023, AENOR issued for the first time the certificate accrediting that TUBACEX, S.A. has a Risk Management System in accordance with UNE-ISO 31000:2018 Standard, thus fulfilling an internal milestone and reinforcing the organization's commitment to risk management.

Furthermore, in the 2023 financial year, the Board of Directors of TUBACEX S.A. Updated the Corporate Tax Policy with the aim of reflecting its tax strategy and thus guaranteeing control of financial and non-financial risks and compliance with good tax practices by the companies and professionals that form part of the Company.

The Group has an internal control system for financial reporting under homogeneous parameters and a risk and control matrix that is deployed to the different business units.

Within the framework of the strategic reflection process, the corporate risk map is updated annually to identify and measure any risks to which the Company may be exposed, providing an analytical view of the underlying causality relationships and offering a wide view of the Company's global exposure. The map shows where the risk lies and the ways through which the risk may be manifested.

E.2. Identify the company's bodies responsible for preparing and implementing the financial and non-financial Risk Control and Management System, including tax risks.

The Board of Directors is responsible for determining the General Risk Control and Management Policy, including tax risks. The system is structured in three levels of protection and defense to address and manage significant risks.

- The Audit and Compliance Committee periodically reviews the internal control and risk management systems, including tax risks, to identify, analyze and adequately report on the main risks. In particular, with regard to the ESG area, this function is performed in coordination with the Sustainability and Corporate Governance Committee, as established in the Regulations of the Board of Directors of the Company.
- The Internal Audit Department informs, advises and reports to the Committee on the risks and the functional activity areas with the existing identification, measurement and control thereof.
- The Management Committee is responsible for undertaking the integrated risk control and management in the business and decision-making processes.

In the 2023 financial year, the Risk and Control function was formalized at the level of the Management Committee of TUBACEX, S.A. This function will assume the following duties in relation to risks:





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- a) Coordinate the process of risk identification, evaluation and quantification for the subsequent preparation/updating of the Risk Map.
- b) Ensure adequate control and monitoring of risk management, so that risks are managed within the established acceptable risk levels.
- c) Ensure adequate risk management reporting to the Management Committee, Audit and Compliance Committee and Board of Directors.

E.3. Indicate the main financial and non-financial risks, including tax risks, and insofar as they are significant those arising from corruption (understood within the scope of Royal Decree Law 18/2017), which may affect the fulfillment of the business objectives.

Risks are identified through questionnaires and face-to-face interviews with the heads of the different business units and relevant corporate areas. Once the risks have been identified, they are evaluated based on the likelihood of them occurring and impact on the strategic objectives.

The risk factors faced by the Group are as follows:

**Business Risks:** established as the uncertainty regarding the performance of the key variables intrinsic to the Group's various activities, through its businesses, such as the characteristics of demand or the strategies of the different agents.

**Market Risks:** understood to be the exposure of the Group's results and net worth to the volatility of market prices and other variables, such as exchange rates, interest rates, solvency, liquidity, inflation and prices of raw materials, among others.

**Operational, Technological, Environmental, Social and Legal Risks:** those related to direct or indirect economic losses resulting from external events or inadequate internal processes, including those derived from:

- Technology failures, human error and technology obsolescence;
- Procurement and the supply chain;
- Cybersecurity and information systems;
- Health and safety of people;
- Climate change and extreme natural occurrences;
- Regulatory compliance;
- Reliability of financial and non-financial reporting;
- Fraud and corruption; and
- Mitigation and arbitration.

**Corporate Governance, Ethics and Compliance Risks:** The main corporate governance risks arise from potential non-compliance with: (i) applicable law, (ii) the provisions of the Governance System, (iii) the recommendations of the Good Governance Code of Listed Companies and its practical guides and of (iv) international standards in this field

**Credit Risks:** defined as the possibility that a counterpart fails to perform its contractual obligations, thus causing an economic or financial loss to the Group.

**Strategy and Innovation Risks:** Risks associated with the definition of the strategic positioning of the Company, its communication and alignment, as well as the lack of innovation, its execution at an inadequate pace, or the late entrance of these innovations in the market. **Regulatory and Political Risks:** Those arising from regulatory changes made by the various regulators (environmental, tax, competition, etc.), as well as those related to nationalization or expropriation of assets.

**Reputational risks.** Potential negative impact on the Group's value as a result of behavior that is negatively perceived by the various stakeholders.

In the 2023 financial year, the risk events associated with the different types above have been increased by the effect of events, such as international geopolitical tension (raw material prices, energy and inflationary tension due to the conflict in Ukraine), knowledge management and talent retention, market volatility, credit and liquidity management, management of major projects and cybersecurity, mainly.

E.4. Indicate whether the entity has risk tolerance levels, including for tax risks

The General Risk Control and Management Policy, approved by the Board of Directors in December 2023 establishes that the Board of Directors is responsible for approving the risk appetite and undertakes to develop all its capacities so that the relevant risks of all activities and businesses are appropriately identified, measured, managed and controlled, and establishes the mechanisms and basic principles for the appropriate management of the risk-opportunity combination with a level of risk that enables it to contribute to the following general objectives:

- a) Fulfill the strategic objectives determined by the Group with controlled volatility.
- b) Provide the maximum level of assurance to shareholders.



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- c) Ensure sustained business stability and financial strength over time.
- d) Protect the Group's results and reputation.
- e) Reduce the negative impact on the Company's economic activity.

In accordance with the TUBACEX General Control and Risk Management Policy, any risk that exceeds the admissible level of risk appetite should be subject to actions aimed at reducing this level in order to try to position itself within acceptable risk values, taking into account factors such as the cost-benefit ratio of implementing measures or other aspects that TUBACEX may consider appropriate. Taking into account the TUBACEX organizational profile, evolution and objectives, the Acceptable Risk Level or Risk Appetite has been set at a medium level for the 2023 financial year, based on internal scales. This tolerance also includes tax risks.

E.5. Indicate which financial and non-financial risks, including tax risks, have materialized during the year.

The activities carried out by the TUBACEX Group are exposed to various financial risks, as described in the notes to the financial statements for 2023. Risk management carried out within the TUBACEX Group focuses on the uncertainty of the financial markets and seeks to minimize the potential adverse effects on the Group's financial performance. The Group uses derivatives to cover certain risks.

Section 5 of the consolidated financial statements develops the financial risk policy. With respect to non-financial risks, during the 2023 financial year, risks associated with the inflationary environment, cyber-attacks, open litigation, already provisioned for in the financial statements and several others have materialized, but none of which are material with respect to the financial statements for the year.

E.6. Explain the response and overseeing plans for the entity's main risks, including tax risks, as well as the procedures followed by the company to ensure that the Board of Directors responds to any new challenges that arise.

The Risk Management Manual establishes the following risk response options:

**Accept:** no action is established on the risk, accepting the consequences of a possible materialization of the risk. This requires written approval from the member of the Management Committee responsible for the risk and the Chief Executive Officer.

**Avoidance:** doing without the activities that generate the risk so that it disappears. Examples: not carrying out a specific project or transaction or not entering a particular market or sector. This requires written approval from the member of the Management Committee responsible for the risk and the Chief Executive Officer.

**Mitigation:** establishing activities aimed at reducing the impact and/or the probability of the risk occurring up to an acceptable level. **Sharing:** establishing activities aimed at sharing the risk with third parties. Examples include insurance policies, hedging operations and outsourcing of activities.

The Audit and Compliance Committee regularly reviews the internal risk control and management systems, including the tax systems, to properly identify, analyze and report the main risks. In particular, with regard to ESG, this function is carried out in coordination with the Sustainability and Good Governance Committee as established in the Regulations of the Company's Board of Directors.



## **F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS RELATED TO THE PROCESS OF FINANCIAL REPORTING (ICFR)**

Describe the mechanisms that make up your company's control and risk management systems in relation to financial reporting (ICFR).

### **F.1. Entity's control environment**

Report on at least the following, describing their main characteristics:

F.1.1. Bodies and/or departments that are responsible for: (i) the existence and maintenance of adequate and effective Internal Control over Financial Reporting (ICFR); (ii) its implementation; and (iii) its supervision.

The determination of the general risk control and management policy, including tax risks, the supervision of the internal information and control systems and the approval of the financial information is a duty assigned to the Board that cannot be delegated. These functions include its responsibility for the existence and maintenance of the Internal Control over Financial Reporting (ICFR) System.

The Audit and Compliance Committee is responsible for overseeing the effectiveness of the ICFR, the internal audit and the risk management systems, as well as discussing any significant weaknesses detected in the internal control system during the course of the audit with the account auditor, all of which without infringing on its independence. The Audit and Compliance Committee relies on the Internal Audit Department to perform these functions, which is a fundamental part of the Annual Activity Plan approved each year.

Management is responsible for the implementation and maintenance of ICFR controls.

F.1.2. Indicate whether the following exist, especially regarding the financial reporting process:

Departments and/or mechanisms responsible for: (i) the design and review of the organizational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) the existence of sufficient procedures for their proper dissemination within the company:

The Group has an organizational structure approved and disclosed on the Group's website. Each business unit has its own organizational structure duly documented, formalized and disclosed by each Human Resources department, which generically reflects the scope of action and responsibility of each department and its members.

The Risks and Internal Control Department, which reports to the Group's Chief Executive Officer, is responsible for the preparation of financial information.

Code of conduct, approval body, degree of dissemination and training, principles and values included (indicating whether there are specific references to the register operations and preparation of the financial reporting), the department responsible for analyzing the non-compliances and proposing corrective actions and sanctions.

In 2023, the Board of Directors renewed the corporate Code of Conduct, which sets out the standards of behavior required of all internal and external collaborators of the TUBACEX Group. This Code of Conduct was disseminated throughout the organization and its effectiveness is the responsibility of the Compliance Unit, set up in 2016.

Additionally, and in compliance with the provisions set out in Law 2/2023, of February 20, regulating the protection of persons who report regulatory violations and the fight against corruption, during this financial year, the existing whistleblower channel has been adapted to the requirements.

On the other hand, in view of its status as a listed company, the Group has an "Internal Regulation on Conduct in Securities Markets" (hereinafter, the Regulation), approved by the Board of Directors in 2004, which establishes the rules of conduct to be followed by the members of the Board of Directors and Senior Management of TUBACEX, S. A. and its Group companies. This Regulation is published on the CNMV's website. In order to verify its compliance by those subjected to it, the Control and Supervision Body keeps an updated list of such people.



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In this regard, among other things, the regulation establishes that “the content of the communication [of relevant information to the Spanish Securities Exchange Commission (CNMV)] must be truthful, clear, complete and, where required by the nature of the information, quantified, so that it does not lead to confusion or deception”. The regulation defines relevant information as “all information, the knowledge of which may reasonably affect an investor to acquire or transfer the securities and instruments affected by the Regulation [the securities issued by the Company and/or any of its group companies that are traded in a market or organized trading system, and financial instruments and contracts of any kind which grant the right to acquire the aforementioned instruments], and therefore may have a significant influence on their quotation on a secondary market”.

- Whistleblower channel, enabling the Audit Committee to be notified of irregularities of a financial and accounting nature, in addition to possible breaches of the code of conduct and unlawful activities undertaken in the organization, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported.

With the approval of Law 2/2023, of February 20, regulating the protection of persons who report regulatory breaches and the fight against corruption, the company has adapted its whistleblower system to market standards, incorporating best practices for greater visibility and its better functioning.

This channel is accessible from the corporate website and guarantees the confidentiality and anonymity of communications. It continues to be managed by the Compliance Department and ultimately by the Audit and Compliance Committee.

Training and refresher programs for staff involved in the preparation and review of financial information, as well as the assessment of the ICFR System, covering at least, accounting standards, auditing, internal control and risk management.

The Company has defined and formalized training programs. The Human Resources Departments prepare annual plans which provide for the needs of specialization and establish the training schemes for the different staff levels. These plans are submitted for approval to the General Management of each company. Throughout the year, the Human Resources area of each Company monitors the degree of compliance with the Training Plan.

Specifically, the areas most closely linked to the preparation and review of financial information and the assessment of the ICFR system participate periodically in different training programs in order to comply with training requirements for the maintenance of accreditations in this area, such as ROAC (Official Register of Account Auditors), CIA (“Certified Internal Auditor”), CRMA (“Certification in Risk Management Assurance”) and COSO (Internal Control Integrated Framework). There are also other means of ongoing training, among which the following stand out:

- Constant contact with our external auditors and other audit firms to become aware of the new regulations on accounting, risk management and internal control over financial reporting which might affect them and provide staff with material and support for their updating.
- Periodic distribution of news applicable to the Group's different subsidiaries (preparation and updating of the corporate accounting policies manual).

### F.2. Financial Reporting Risk Assessment.

Report on at least the following:

F.2.1 What are the main characteristics of the risk identification process, including risks of error or fraud, as regards:

Whether the process exists and is documented:

The Group has a documented and formalized Financial Information Risk Map, which is updated annually.

Regarding the scope of the Internal Control over Financial Reporting System (ICFRS), the Group has identified the main risks and controls in the most important companies in order to manage in a timely manner and mitigate to a reasonable level the main risks associated with the financial reporting generation and issue process, as well as those responsible for the effective implementation and supervision of these controls.



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The risk identification process starts with the consolidated financial statements, from which the sections of the financial statements and the relevant breakdowns are identified. Based on this information, those processes and controls are identified from which the transactions are processed and which are reflected in the aforementioned sections and breakdowns. Finally, the relevant risks for each of these processes that can lead to errors in the financial information preparation and issue processes are identified and prioritized.

Whether the process covers all of the financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), whether it is updated and how often;

During the identification and analysis of risks, all of the financial reporting objectives are covered. In this respect, each identified risk is related to one or more potential errors in the preparation and issue of financial information processes, such as Integrity, Accuracy, Existence and Occurrence, Cut-off, Valuation and Presentation.

The existence of a process for identifying the scope of consolidation, taking into account, among other aspects, the possible existence of complex corporate structures, instrumental or special purpose entities;

Within the ICFRS, there are controls over the Group's corporate perimeter to ensure that all company operations are formalized and reported in accordance with the processes in force.

Weekly meetings are held with the participation of the director of corporate operations, legal guidance and risk and internal control in order to coordinate all transactions under analysis that may affect the consolidation perimeter. At these meetings, any activity that requires further analysis of the corporate structures, tax implications or any other area is reported and coordinated.

Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements:

The current model identifies different risks, regardless of their nature, that may affect the financial information.

Which governing body within the company oversees the process:

The Board of Directors has the non-delegable power to approve the general risk control and management policy, including risks related to financial information. It relies on the Audit and Compliance Committee for this task, delegating it to the internal audit function, which periodically evaluates the design and effectiveness of the ICFRS reporting any control weaknesses identified.

### F.3. Control Activities.

Report on whether the company has at least the following, describing their main characteristics:

F.3.1. Procedures for the review and authorization of financial information and description of the Internal Control over Financial Reporting System, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activities and controls (including those related to risk of fraud) of the different types of transactions that may materially affect the financial statements, including account closing process and the specific review of significant judgments, estimates, valuations and projections.

The process of preparation and review of financial information to be disclosed to the securities markets is structured on the basis of the schedule for the closure and publication of annual accounts, for each period of publication, established by the Corporate Finance Department. According to this schedule:

- The annual accounts of TUBACEX S.A. and the consolidated annual accounts of TUBACEX, S.A. and subsidiaries are prepared by the Corporate Finance Department based on the reporting of each of the Group's subsidiaries.
- The annual accounts thus prepared, and after supervision by the internal audit area, are sent to the Chief Executive Officer, who reviews them prior to sending them to the Audit and Compliance Committee and the Board of Directors.
- Once reviewed by the CEO, the annual accounts are submitted to the Audit and Compliance Committee and to the Board of Directors a few days before the Board Meeting so that they may review them prior to the formulation of the accounts.

All of this is coordinated in the first instance by the Corporate Finance Department, internal audit and subsequently by the Secretary of the Board through an IT platform that guarantees accessibility and the prior sending of the necessary supporting documentation for meetings of the Board and its Committees.



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Once the annual accounts have been formulated by the Board of Directors, the Secretary of the Board of Directors proceeds to send the financial information to the Spanish Securities Exchange Commission (CNMV).

Regarding the publication of relevant information, and as described above, the Group's "Internal Code of Conduct in relation to the Securities Markets" defines what constitutes relevant information and establishes the guidelines to be followed for their distribution. Specifically, it states that "communication to the Spanish Securities Exchange Commission (CNMV) should be made prior to its dissemination by any other means and as soon as the fact is known, the decision is taken or the agreement or contract with third parties is formalized", furthermore, "The Company will also disseminate this information on its Website".

Monitoring of the compliance with these obligations is the responsibility of the Control and Monitoring Department that, together with the Corporate Finance Department, drafts the relevant event for its communication to the Spanish Securities Exchange Commission (CNMV).

The TUBACEX Group, and for the most relevant companies located in the Basque Country, Austria, Italy, India, the United States and the Middle East, the Group has identified the main controls that enable it to adequately manage and mitigate the impact, if any, of each of the risks related to the process of preparing and issuing financial information identified and documented in the Group's financial information risk matrix. For each of these controls, the Group has identified the person responsible for its execution, as well as the evidence to support its operability, which will be the basis for the internal control review work to be performed annually. This information has been documented and structured through the corresponding Risk-Control Matrices, which are periodically reviewed within the aforementioned internal control review process and are subject to internal and external audit.

The accounting closing process is documented through a checklist, which includes the major tasks to be developed in the process and those responsible for carrying out each of these tasks. This checklist is duly completed by each of the persons involved in each accounting closing process (monthly) and is part of the controls identified in the aforementioned matrix. With respect to procedures and controls established in relation to the relevant assessments, estimates and projections, the Group identifies the main risks related to these aspects through its Risks-Control Matrix, and the controls established to ensure their proper management. Specifically, the main areas exposed to the assessments and estimates have been identified, which are related to:

- The assessment of the recoverable value of inventories and accounts receivable;
- The valuation of inventory in progress and finished, as well as derivative financial instruments;
- The registration of supplies of any nature, paying special attention to provisions resulting from long-term obligations with the employees and any lawsuits underway.
- Estimates associated with business projections, discount rates, growth rates and other parameters for the justification of non-impairment of certain intangible assets.

In summary, the controls established in this respect can be summarized in the clear identification of responsibilities for the identification of potential liabilities, the making of the corresponding estimates and their review. The responsibility for their execution falls in the first instance on the financial officers or other key agents of the management body, whereby they are subsequently supervised by the internal and external auditors and the results presented to the Audit and Compliance Committee.

In addition to the above, in relation to financial and non-financial information, the Audit and Compliance Committee reviews the financial information reported to the markets quarterly in order to verify the scope of the guarantees implemented in the process of preparing such information. In particular, it monitors compliance with legal requirements, the adequacy of the consolidation perimeter and the proper application of generally accepted accounting principles and the information standards applicable to the Company: judgments, criteria, valuations and estimates, changes in the significant criteria applied, significant internal control weaknesses and audit adjustments. As a result of these reviews, the Audit and Compliance Committee issues a report to the Board of Directors, prior to its approval of the information to be sent to the markets.

F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) that support significant organizational processes in relation to the preparation and publication of financial information.

The Group has formally approved and formalized procedures in the area of Information Technology, in relation to change control and access control, whereby these procedures are reviewed annually as part of the external audit.

The security master plan has included numerous initiatives in 2023 that have improved the maturity level of the cybersecurity system. The plan has been updated and will continue to be developed in 2024, and it has been approved by the Audit and Compliance Committee, thus reinforcing the importance given to this area and its associated risks at the highest level of the organization.



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Cybersecurity projects to be highlighted:

- a) Two ethical cyber-attack exercises (to be conducted by two different companies) to test the strength of the systems, both for external and internal penetration (already carried out in 2023).
- b) Implementation of a privileged account management system for system administrator users.

Summary of the architecture and main resources of the cybersecurity system.

IT security incident response team

- Security operations center and SIEM platform.

- We have a 24x7 security operations center to act in the event of a cybersecurity attack/incident in any of the Group's business units.

- SIEM (Security Information and Event Management) platform that receives alerts and events from the defensive, preventive and predictive layers, and is connected to international cybersecurity intelligence sources, which automatically detects and mitigates attacks and threats.

Defensive Layer:

- Intrusion detection probes to detect attack patterns by analyzing internal network traffic. Segmentation of IT/OT networks in factories is promoted to prevent free lateral movement after an attacker's incursion.

Preventive Layer:

- Perimeter security system composed of a set of FWs that organize an SDwan and apply common corporate policies that restrict Internet browsing and interconnection between sites.

- Advanced EDR security tool for the protection of servers and workstations.

- Advanced e-mail threat detection software.

- Corporate backup solution with dual backup (local and cloud).

- Vulnerability scanning system for system software and applications.

- Control and traceability tool for confidential documentation.

- DNS browsing control for all servers.

- Two-factor authentication for network access, MS36S collaboration systems and VPN access.

- Underway: Protection of administrator privileges by securing such users and their passwords

- Training and awareness-raising:

o Social engineering campaigns.

o Cybersecurity training pills

- Privileged access management, implementation of a specific process to be applied to system administrator users to prevent the theft of an administrator account/password. Delinia software is currently being implemented.

Predictive Layer:

- Annual penetration tests by different ethical hacking teams.

- Cyber intelligence services, analysis of the presence of information related to our main Internet domains on the darkweb and other forums.

Internal cybersecurity team

The Chief Digital Officer is responsible for cybersecurity, playing the role of Chief Information Security Officer who coordinates all actions in this area.

We have created a cybersecurity steering committee, with the participation of all business units. The committee meets periodically to discuss the progress of the Master Plan.

The committee meets on an emergency basis in the event of a serious global incident. External cybersecurity team.

Our main partners for the development of the Security Master Plan are:

SecureIT Company specialized in cybersecurity Certified in ENS, 27001, First. Cybersecurity Made In EU, 9001 Ibermática. Systems outsourcing company ENS, 27001, 9001 certified.

Cybersecurity reports

The Security Master Plan is updated annually with a plan of cybersecurity improvement projects.

Quarterly reports to the Board of Directors on the status, incidents and results of cybersecurity services.

Every two to three years, we conduct an audit to assess the state of maturity of our cybersecurity system and define the next objectives of the Security Master Plan.

Pentesting reports (two external penetration tests per year).

Among other projects to be highlighted for the 2024 financial year is one dedicated to verifying all users of the management system for preparing and publishing financial information, the allocation of transactions adjusted to their needs and approved by their manager.



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F.3.3. Internal control policies and procedures for supervising the management of outsourced activities to third parties, and the aspects related to the assessments, calculations or valuations entrusted to independent experts that could materially affect the financial statements.

The identification procedure of the operations from which the transactions are processed, which are ultimately reflected in the aforementioned relevant sections and breakdowns, as well as the relevant risks for each of the aforementioned processes may result in errors during the financial information generation and issue process, does not include the activities outsourced to third parties that could have a material impact in the financial statements, with the exception of those corresponding to the years in which stakes are acquired (in accordance with IFRS 3) and which are described in the consolidated Group's annual reports.

In addition, with respect to the valuation of derivative financial instruments, a process has been established to review the quality and independence of the work performed. The Corporate Finance Department obtains the corresponding valuations from the various financial institutions with which these products have been contracted, as well as support from external advisors. These valuations are reviewed by the Corporate Finance Department, which makes its own estimates using an internally developed financial template, and compares them with those obtained from the financial institutions. In the event of discrepancy, the financial entities are contacted to clarify them and obtain new valuations, where appropriate. The aforementioned financial template for the valuation of derivative financial instruments is periodically reviewed by an independent third party to adapt it to changes in regulations. Likewise, and in relation to the estimate of the actuarial liabilities arising from commitments of this nature assumed by the Group, the Corporate Finance Department obtains the corresponding actuarial report prepared by an independent third party expert. This report is subject to review by the Corporate Finance Department, which submits it to timely review by the external auditor, prior to its recording in the relevant accounting entries.

### F.4. Information and Communication.

Report on whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function responsible for defining and updating accounting policies (accounting policies area or department) and resolving questions or disputes arising from their interpretation, maintaining good communication with those responsible for operations within the organization, as well as an updated manual of accounting policies that is duly communicated to the units through which the company operates.

The responsibility for defining and keeping the Group's accounting policies updated is attributed to the Risks and Internal Control Department, which performs the following activities, among other tasks:

- Preparation and updating of the Group's accounting policies manual and making it available to all the Group's financial departments.
- Constant communication with the external auditors for the purpose of updating accounting news and new breakdowns of information in the annual accounts, as well as any other tax or regulatory aspect that applies to both the Financial and Internal Audit areas.
- Periodic referral to the financial officers and administration of the subsidiaries to pass on any major developments in terms of accounting to them.
- Resolution of any accounting questions that may arise within the Group companies.

F.4.2 Mechanisms to capture and prepare financial information in standardized formats, for application and use by all units of the company or group, responsible for the primary financial statements and notes, as well as information on the Internal Control over Financial Reporting System.

The TUBACEX Group's financial information is prepared on the basis of a single standard reporting format defined through a process of aggregation of the individual financial statements for subsequent consolidation, in accordance with IFRS accounting and consolidation standards.

There is a reporting schedule, which is available to each business unit, in order to ensure reception of the information with sufficient time for the preparation of consolidated financial statements in accordance with the established schedule.

The single reporting format, as well as the standardized consolidation reporting package, is reviewed annually to incorporate any necessary regulatory or reporting requirements. This annual reporting package for the purpose of preparing the Group's consolidated annual report includes not only financial information, but also information required for the non-financial information statement.

Throughout the 2022 and 2023 financial years, the group has been working on tools to automate the consolidation process and extract accounting information that will streamline the consolidation and reporting process.





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The Group has presented its annual accounts in uniform and electronic format, as indicated in the Commission's Delegated Regulation (EU) 2018/815, which establishes that all annual financial reports of listed companies within the European Union must be prepared in a single electronic format, called ESEF, in order to generate the file for reporting to the Spanish Securities and Exchange Commission (CNMV).

### F.5. Supervision of the functioning of the system

Report on at least the following, describing their main characteristics:

F.5.1. The activities of the audit committee in overseeing the ICFRS, as well as whether the company has an internal audit function, whose responsibility is to provide support to the committee in its task of overseeing the internal control system, including the ICFRS. Likewise, report on the scope of the assessment of the ICFR during the financial year, as well as on the procedures followed by the person responsible for the assessment to report the results, whether the company has an action plan detailing the potential corrective measures and whether their impact on financial reporting has been considered.

The responsibilities undertaken by the Audit and Compliance Committee include the regular supervision of the internal control and risk management systems, so that key risks are identified, managed and disclosed appropriately. Its competences also include overseeing the preparation process and the integrity of the financial information, ensuring that the interim financial reports and quarterly management reports are formulated under the same accounting standards as the annual reports and, accordingly, consider the appropriateness of a limited review of the interim financial reports by the external auditor.

In addition, the specific Regulations of the Audit and Compliance Committee reinforce the role of the Committee, including its function of overseeing compliance with legal requirements, the adequacy of the consolidation perimeter and the proper application of generally accepted accounting principles and the information standards applicable to the Company: In particular, the Committee will review judgments, criteria, valuations and estimates, changes in the significant criteria applied, significant internal control weaknesses and audit adjustments.

To fulfill these functions, the Audit and Compliance Committee is supported by the Internal Audit Department, formally constituted and approved in 2007, to which it reports directly.

The Internal Audit Department is defined in the Group as a function that is objective and independent from the rest of the areas, reporting functionally to the Audit and Compliance Committee and hierarchically to the Chief Executive Officer.

Internal Audit carries out its activities around an Annual Plan approved by the Audit and Compliance Committee. The main functions of the Internal Audit, in line with those of the Audit and Compliance Committee, are the supervision of financial information and internal control and risk management systems. In this respect, the Annual Plan for the 2023 financial year included different projects, such as the supervision of quarterly financial information, supervision of the ICFRS, monitoring of internal control weaknesses identified by the auditor, review of policies and monitoring of non-financial risks (in particular tax and technological risks), among others.

The results of the reviews, as well as the agreed action plans, are presented to the Audit and Compliance Committee, which continuously monitors the Activity Plan.

F.5.2. Whether there is a discussion procedure by which the auditor (in accordance with the provisions set out in the Technical Audit Standards), the internal auditor and other experts can report any significant weaknesses in internal control identified during the review of the annual financial statements or any other reviews that they have been assigned to senior management and the audit committee or administrators of the company. Likewise, indicate whether an action plan is available to correct or mitigate any weaknesses detected.

The Audit and Compliance Committee, through the Internal Audit Department, is in constant contact with the external auditor, who appears before the Audit Committee to present the conclusions of his/her work. In this regard, during the 2023 financial year, the external auditor participated in five sessions of the Audit and Compliance Committee. The auditor for the 2023 financial year presented the report on internal control weaknesses at two of these meetings, whereby the Internal Audit Department will regularly monitor these weaknesses.

In addition, Internal Audit submits the conclusions of the various tasks performed, as well as the action plans signed with the aim of mitigating or correcting the weaknesses detected to the Committee.



**F.6. Other Relevant Information.**

There is no additional relevant information.

**F.7. External Auditor's Report.**

Report:

F.7.1. Whether the ICFRS information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an appendix. Otherwise, reasons for not doing so should be provided.

It has been duly verified by the external auditor.



## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED PUBLIC COMPANIES

### G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of compliance with the recommendations of the Good Governance Code for listed companies.

In the event that any recommendation is not followed or is only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have sufficient information to assess the company's conduct. General explanations are not acceptable.

1. That the Articles of Association of listed companies do not limit the maximum number of votes that can be cast by a single shareholder, or impose any other restrictions to hinder the takeover of the company by means of the acquisition of its shares on the market.

Complies  Explain

2. That when the listed company is controlled by another entity, within the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them, it should make accurate public disclosures on:

- a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies  Complies partially  Explain  Not applicable

3. That during the Ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the Chairman of the Board of Directors verbally informs the shareholders, in sufficient detail, of the most significant aspects of the company's corporate governance and, in particular:

- a) Of the changes that have occurred since the last General Shareholders' Meeting.
- b) Of the specific reasons why the company does not follow one or more of the recommendations of the Corporate Governance Code and the alternative rules applied, if any.

Complies  Complies partially  Explain

Until the last Shareholders' General Meeting, the Chairman of the Board of Directors did not use to explain the reasons for non-compliance with any of the recommendations of the Corporate Governance Code verbally at the Shareholders' General Meeting, as this was included in the documentation submitted for formal approval by the Shareholders' General Meeting.

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors, that fully complies with the rules against market abuse and gives equal treatment to shareholders in the same position. And that the company publishes this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding the dissemination of inside information and other types of regulated information, the company also has a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels) that contributes to maximizing the dissemination and quality of information available to the market, investors and other stakeholders.

Complies  Complies partially  Explain

The Company maintains a policy of communication and contacts with its shareholders, institutional investors and advisors that fully complies with the rules against market abuse, as set out in the Internal Code of Conduct in the field of the Company's securities markets, giving equal treatment to shareholders in the same position.



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Likewise, its position is to communicate the economic-financial, non-financial and corporate information relating to the Company in a manner that contributes to maximizing the dissemination and quality of information available to the market, investors and other stakeholders, taking into account the appropriate communication channels, mainly the corporate website, which is the Company's letter of introduction to the market. In this respect, the Code of Conduct expressly states that "the truthfulness of information is a basic principle in all our actions, so we must truthfully transmit all the Information that we are required to communicate internally and externally, and under no circumstances may we intentionally transmit false or inaccurate information or information that could lead to error or confusion". Without prejudice to the above, the Company is internally considering formally approving a document that brings together all the Company's principles and guidelines referred to in the recommendation".

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal to delegate powers to issue shares or convertible securities, with the exclusion of preemptive subscription rights, for an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive subscription rights, the company should immediately publish the reports on exclusion referred to in company law on its website.

Complies       Complies partially       Explain

There is an authorization approved by the General Shareholders' Meeting in June 2020 which has never been used.

6. That listed companies that prepare the reports detailed below, whether under a legal obligation or voluntary, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their dissemination is not mandatory:

- a) Report on the auditor's independence.
- b) Reports on the functioning of the Audit Committee and the Appointments and Remunerations Committee.
- c) Audit committee report on related-party transactions.

Complies       Complies partially       Explain

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place that allow the delegation and casting of votes by remote means and even, in the case of large cap companies and to the extent that is proportionate, attendance and active participation in the General Shareholders' Meeting.

Complies       Complies partially       Explain

8. That the audit committee should ensure that the financial statements that the Board of Directors submits to the Shareholders' General Meeting are prepared in accordance with accounting regulations. And that in those cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of said opinion available to the shareholders at the time when the meeting is called, along with the other Board proposals and reports.

Complies       Complies partially       Explain

9. That the company should permanently publish on its website the requirements and procedures it will accept to accredit share ownership, the right to attend the Shareholders' General Meeting and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures favor the attendance and the exercise of shareholder rights in a non-discriminatory manner.

Complies       Complies partially       Explain



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10. That when any legitimate shareholder has exercised the right to complete the agenda or to submit new proposals for resolutions, in advance of the Shareholders' General Meeting, the Company:

- a) Should immediately disseminate such complementary points and new proposals for resolutions.
- b) Should publish the attendance, proxy or remote voting card template with the necessary changes so that the new items on the agenda and alternative proposals for resolutions can be voted on under the same terms as those proposed by the Board of Directors.
- c) Should submit all these alternative points or proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors, including, in particular, assumptions or deductions regarding votes for or against.
- d) That after the Shareholders' General Meeting, a breakdown of the voting on such complementary points or alternative proposals should be communicated.

Complies       Complies partially       Explain       Not applicable

11. That, if the company intends to pay premiums for attending the Shareholders' General Meeting, it should establish a general policy on such bonuses in advance and such policy should be stable.

Complies       Complies partially       Explain       Not applicable

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all shareholders in the same position equally, and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long-term, promoting its continuity and maximizing the economic value of the company.

And that in pursuit of the company's interest, in addition to complying with applicable laws and regulations and conducting itself on the basis of good faith, ethics and respect for commonly accepted uses and best practices, it should seek to reconcile its own company interests, when appropriate, with the legitimate interests of its employees, suppliers, customers and other stakeholders that may be affected, as well as the impact of the company's activities on the community as a whole and on the environment.

Complies       Complies partially       Explain

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and In a participatory manner, whereby the Board is ideally comprised of between five and fifteen members.

Complies       Explain

14. That the Board of Directors should approve a policy aimed at favoring an appropriate composition of the Board of Directors and that:

- a) is concrete and verifiable;
- b) ensures that proposals for appointment or re-election are based on a prior analysis of the skills required by the Board of Directors; and
- c) favors diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favor gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors should be included in the report issued by the Appointments Committee published when calling the Shareholders' General Meeting to which the ratification, appointment or re-election of each director is submitted.

Compliance with this policy will be verified annually by the Appointments Committee and reported in the Annual Corporate Governance Report.

Complies       Complies partially       Explain



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15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors is kept to a minimum, bearing in mind the complexity of the corporate group and the percentage of equity in the Company's share capital held by executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors by the end of 2022 and thereafter, and should not be less than 30% prior to that date.

Complies       Complies partially       Explain

16. That the number of proprietary directors as a percentage of the total number of non-executive directors should not be greater than the proportion of the company's share capital represented by such directors and the rest of the capital.

This criterion may be relaxed:

- a) In large cap companies in which few shareholdings are legally considered to be significant.
- b) In companies with a plurality of shareholders represented on the Board of Directors but not otherwise related.

Complies       Explain

17. That the number of independent directors should represent at least half of the total number of directors.

However, that when the company is not a large cap company or when, even if it is a large cap company, it has one or more shareholders acting in concert that control more than 30% of the share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies       Explain

18. That companies should publish the following information on its directors on their website, and keep such information updated:

- a) Professional profile and biography.
- b) Any other Boards of Directors to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities regardless of their nature.
- c) Category of director, specifying the shareholder they represent or to whom they are related in the case of proprietary directors;
- d) Date of their first appointment as a director of the company and any subsequent re-elections.
- e) Shares held in the company and options thereon held by them.

Complies       Complies partially       Explain

19. That the Corporate Governance Annual Report, after verification by the Appointments Committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3% of the share capital. It should also explain, if applicable, why formal requests from shareholders to sit on the Board were not honored, when their shareholding is equal to or greater than that of other shareholders whose proposal for proprietary directors was honored.

Complies       Complies partially       Explain       Not applicable

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional ratio, in the event that said shareholder reduces its percentage stake to a level that requires a decrease in the number of its proprietary directors.



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Complies       Complies partially       Explain       Not applicable

21. That the Board of Directors should not propose the removal of any independent director prior to the completion of the term, set out in the Articles of Association, for which he was appointed, unless the Board of Directors finds just cause and a prior report has been prepared by the Appointments Committee. In particular, just cause shall be deemed to exist when the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the necessary time to the performance of the duties inherent to the position as a director, fails to comply with the tasks inherent to his/her position or is affected by any of the circumstances that would cause him/her to lose his/her independent status, in accordance with the provisions set out in the applicable law.

The removal of independent directors may also be proposed as a result of public tender offers, mergers or other similar corporate transactions that entail a change in the share structure of the Company, provided that such changes in the structure of the Board of Directors are required by virtue of the proportionality criteria mentioned in Recommendation 16.

Complies       Explain

22. That companies should establish rules obliging directors to report and, where appropriate, resign when situations arise that affect them, whether or not related to their actions in the company itself and which may damage the company's standing and reputation and, in particular, requiring them to inform the Board of Directors of any criminal proceedings in which they are under investigation, as well as the progress of any legal proceedings.

And that, having been informed or having otherwise become aware of any of the aforementioned situations, the Board of Directors should investigate the case as soon as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remunerations Committee, whether or not any measure must be adopted, such as opening an internal investigation, calling for the resignation of the director or proposing that he or she should be removed. And that these events should be reported in the Corporate Governance Annual Report, unless there are any special circumstances not to do so, which must also be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, at the time of adopting the corresponding measures.

Complies       Complies partially       Explain

23. That all directors clearly express their opposition when they feel that any proposed resolution submitted to the Board of Directors might be contrary to the best interests of the company. And in particular, independent directors and the other directors not affected by the potential conflict of interest should also express their opposition in the case of decisions that could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors adopts significant or repeated decisions about which the director has expressed serious reservations, the director should draw the pertinent conclusions and, if the director decides to resign, the reasons must be set out in the point referred to in the next recommendation.

This recommendation also applies to the Secretary of the Board of Directors, even if he or she is not a director.

Complies       Complies partially       Explain       Not applicable

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the end of his or her term of office, the director should explain the reasons for this decision or, in the case of non-executive directors, their opinion on the reasons for the cessation, in a letter addressed to all members of the Board of Directors.

Notwithstanding the fact that all of the above is disclosed in the Corporate Governance Annual Report, insofar as it is relevant for investors, the company should publish the cessation as soon as possible, adequately referring to the reasons or circumstances provided by the director.

Complies       Complies partially       Explain       Not applicable



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25. That the Appointments Committee should ensure that non-executive directors have sufficient time available for the proper performance of their duties.

And that the Regulations of the Board of Directors establish the maximum number of company boards on which their directors may sit.

Complies  Complies partially  Explain

26. That the Board of Directors meets with the frequency required to be able to perform its duties effectively, and at least eight times a year, following a schedule of dates and agendas established at the beginning of the financial year, and that each Director is able to propose other items that do not originally appear in the agenda.

Complies  Complies partially  Explain

27. That director absences are limited to unavoidable cases and are quantified in the Corporate Governance Annual Report. And that, when absences do occur, the director appoints a proxy with instructions.

Complies  Complies partially  Explain

28. That when directors or the Secretary express concern regarding a proposal or, in the case of the directors, regarding the running of the Company, and such concern is not resolved at the meeting of the Board of Directors, such concerns are recorded in the minutes at the request of the director expressing them.

Complies  Complies partially  Explain  Not applicable

29. That the company should establish the appropriate channels for directors to obtain the necessary advice for the performance of their duties, including external advice at the company's expense, if circumstances so require.

Complies  Complies partially  Explain

30. That, regardless of the knowledge required by directors for the performance of their duties, companies should also offer them refresher programs when circumstances so require.

Complies  Explain  Not applicable

31. That the agenda of meetings should clearly indicate those points on which the Board of Directors must adopt a decision or resolution so that the directors may study or obtain the information required for its adoption in advance.

When, exceptionally, for reasons of urgency, the Chairman wishes to submit decisions or resolutions not appearing on the agenda to the approval of the Board of Directors, the prior and express consent of the majority of the Board Members present shall be required, which shall be duly recorded in the minutes.

Complies  Complies partially  Explain

32. That directors are periodically informed of movements in the shareholding and the opinions of significant shareholders, investors and rating agencies regarding the company and its group.

Complies  Complies partially  Explain





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33. That the Chairman, as the person responsible for the effective operation of the Board of Directors, in addition to exercising his/her legally and statutorily attributed functions, should prepare and submit to the Board of Directors a schedule of dates and matters to be discussed; organize and coordinate the periodic evaluation of the Board, as well as, if applicable, that of the Chief Executive of the company; should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to the discussion of strategic issues, and approve and review refresher programs for each director, when circumstances so advise.

Complies  Complies partially  Explain

34. That when there is a coordinating director, the Articles of Association or Regulations of the Board of Directors should grant him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the Chairman and Vice-Chairmen, should there be any; to reflect on the concerns of non-executive directors; to liaise with investors and shareholders in order to hear their points of view and form an opinion on their concerns, particularly in relation to the company's corporate governance; and to coordinate the Chairman's succession plan.

Complies  Complies partially  Explain  Not applicable

35. That the Secretary of the Board of Directors should take special care to ensure that the actions and decisions of the Board of Directors take into account the recommendations on good governance contained in this Good Governance Code that are applicable to the company.

Complies  Explain

36. That the Board of Directors should meet in a plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected with respect to:

- a) The quality and efficiency of the Board of Director's functioning;
- b) The functioning and composition of its committees.
- c) Diversity in the composition and skills of the Board of Directors
- d) The performance of the Chairman of the Board of Directors and the Chief Executive Officer of the company.
- e) The performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to evaluate the different committees, a report submitted to the Board of Directors by the committees will be used as a starting point and a report from the Appointments Committee will be used to evaluate the Board of Directors.

Every three years, the Board of Directors will be assisted by an external advisor in the evaluation, whose independence will be verified by the Appointments Committee.

Business relationships between the external advisor or any company in its group and the company or any company in its group shall be specified in the Corporate Governance Annual Report.

The process and areas evaluated will be described in the Corporate Governance Annual Report.

Complies  Complies partially  Explain

37. That when there is an executive committee, at least two non-executive directors should sit on it, at least one of whom should be independent, and its secretary must be the Secretary of the Board of Directors.

Complies  Complies partially  Explain  Not applicable

38. That the Board of Directors must always be informed of the matters dealt with and the resolutions adopted by the Executive Committee, and that all members of the Board receive a copy of the minutes of meetings of the Executive Committee.

Complies  Complies partially  Explain  Not applicable

39. That the members of the Audit Committee and, in particular, its Chairman, be appointed taking into account their knowledge and experience in accounting, auditing and financial and non-financial risk management matters.

Complies  Complies partially  Explain



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40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures the proper functioning of the information and internal control systems and that reports to the non-executive chairman of the Board or to the chairman of the Audit Committee.

Complies [ X ]      Complies partially [ ]      Explain [ ]

41. That the person in charge of the unit in charge of the internal audit function should present its annual work plan to the Audit Committee for its approval or by the Board, reporting directly on its execution, including any incidents and limitations to the scope that may arise in its development, the results and monitoring of its recommendations, and present an activity report at the end of each financial year.

Complies [ X ]      Complies partially [ ]      Explain [ ]      Not applicable [ ]

42. That, in addition to the provisions set out by law, the following functions correspond to the Audit Committee:

1. With respect to the internal control and reporting systems:

- a) Supervise and evaluate the preparation process and the integrity of financial and non-financial information, as well as the control and management systems for financial and non-financial risks relating to the company and, if applicable, to the group - including operational, technological, legal, social, environmental, political, reputational and corruption-related risks - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
- b) Ensure the independence of the unit in charge of the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the budget for this service; approve or propose the orientation and annual work plan of internal audit for approval by the Board, ensuring that its activity is focused primarily on significant risks (including reputational risks); receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
- c) Establish and oversee a mechanism whereby employees and other people related to the Company, such as Directors, Shareholders, suppliers, contractors and subcontractors, can report irregularities of potential significance related to the company, especially financial and accounting ones, which they observe within the Company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which  
  
reports can be made anonymously, respecting the rights of both the denouncing and denounced party.
- d) In general, ensure that the internal control policies and systems are effectively applied in practice.

2. With respect to the external auditor:

- a) In the event that the external auditor resigns, the Audit Committee shall investigate the circumstances that may have led to such resignation.
- b) Ensure that the external auditor's remuneration for its work does not compromise its quality or the auditor's independence.
- c) Oversee that the company reports the change of auditor to the CNMV, accompanied by a statement of any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d) Ensure that the external auditor holds an annual meeting with the Board of Directors to report on the work performed and the evolution of the Company's accounting position and risk status.
- e) Ensure that the Company and the external auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, all other regulations on the independence of the auditors.

Complies [ X ]      Complies partially [ ]      Explain [ ]



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43. That the Audit Committee may be able to require any employee or manager of the company to appear before it, and even stipulate that he or she appear without the presence of any other member of management.

Complies [ X ]      Complies partially [ ]      Explain [ ]

44. That the Audit Committee should be informed of any structural and corporate changes that the company plans to carry out in order to analyze and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, if applicable, on the proposed exchange ratio.

Complies [ X ]      Complies partially [ ]      Explain [ ]      Not applicable [ ]

45. That the risk control and management policy identifies or specifies at least:

- a) The different types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption) faced by the company, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
- b) A risk control and management model based on different levels, which will include a specialized risk committee when sector regulations so require or when the company considers it to be appropriate.
- c) The risk level that the company considers to be acceptable.
- d) Measures in place to mitigate the impact of the risks identified, should they materialize.
- e) The internal reporting and control systems to be used to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies [ X ]      Complies partially [ ]      Explain [ ]

46. That under the direct supervision of the Audit Committee or, if applicable, of a specialized committee of the Board of Directors, an internal risk control and management function exists, performed by an internal unit or department of the company, expressly assigned the following functions:

- a) Ensure the proper functioning of the risk control and management systems and, in particular, that all significant risks affecting the company are adequately identified, managed and quantified.
- b) Actively participate in drawing up the risk strategy and in important risk management decisions.
- c) Ensure that the risk control and management systems adequately mitigate risks within the framework of the policy defined by the Board of Directors.

Complies [ ]      Complies partially [X]      Explain [ ]

There is an internal risk control and management function but it does not report to the Audit Committee.

47. That in designating the members of the Appointments and Remunerations Committee -or of the Appointments Committee and the Remunerations Committee, if they are separate- care is taken to ensure that they have the knowledge, skills and experience appropriate to the functions they are called upon to perform, and that the majority of such members are independent directors.

Complies [ X ]      Complies partially [ ]      Explain [ ]

48. That large-cap companies have a separate Appointments Committee and a separate Remunerations Committee.

Complies [ ]      Explain [ ]      Not applicable [ X ]

49. That the Appointments Committee consults with the Company's Chairman and Chief Executive, especially on matters relating to executive directors.

And that any director may request that the Appointments Committee consider potential candidates to fill vacancies for the position of director, if it finds them suitably qualified.



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Complies  Complies partially  Explain

50. That the Remunerations Committee performs its functions independently and that, in addition to the functions attributed to it by law, it shall be responsible for the following:

- a) Proposing the basic conditions of senior management contracts to the Board of Directors.
- b) Ensuring compliance with the company's remuneration policy.
- c) Periodically reviewing the Remuneration Policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that paid to the company's other directors and senior managers.
- d) Ensuring that any conflicts of interest do not impair the independence of the external advice provided to the committee.
- e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on directors' remuneration.

Complies  Complies partially  Explain

51. That the Remunerations Committee consults with the Chairman and chief executive of the Company, especially on matters relating to executive directors and senior managers.

Complies  Complies partially  Explain

52. That the rules governing the composition and functioning of the supervision and control committees are included in the Regulations of the Board of Directors and are consistent with those applicable to the legally mandatory committees in accordance with the aforementioned recommendations, including:

- a) That they are composed exclusively of non-executive directors, with a majority of independent directors.
- b) That their Chairmen are independent directors.
- c) That the Board of Directors appoints the members of such Committees, taking into account their knowledge, qualifications and experience and the responsibilities of each Committee, discusses its proposals and reports, and requires a report on their activities and the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d) That the committees may receive external advice, whenever they consider it is necessary for the performance of their duties.
- e) That their meetings will be recorded and the minutes shall be made available to all directors.

Complies  Complies partially  Explain  Not applicable

53. That the supervision of compliance with the company's policies and rules on environmental, social and corporate governance matters, as well as internal codes of conduct, be attributed to one or more committees of the Board of Directors, which may be the Audit Committee, the Appointments Committee, a committee specializing in sustainability or corporate social responsibility or any other specialized committee that the Board of Directors, in the exercise of its powers of self-organization, has decided to create.

Such committees should be composed exclusively of non-executive directors, the majority of whom should be independent, and should be specifically assigned the minimum functions indicated in the following recommendation.

Complies  Complies partially  Explain

54. The minimum functions referred to in the aforementioned recommendation are:

- a) Overseeing compliance with the company's corporate governance rules and internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.



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- b) Overseeing the application of the general policy on the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the entity communicates and relates to small and medium-sized shareholders will also be monitored.
- c) The evaluation and periodic review of the corporate governance system and the company's environmental and social policy, so that they fulfill their mission of promoting the social interest and take into account, as appropriate, the legitimate interests of other stakeholders.
- d) Overseeing that the company's environmental and social practices are in line with the defined strategy and policy.
- e) Overseeing and evaluating relations with the different stakeholders.

Complies  Complies partially  Explain

55. That sustainability policies in environmental and social matters identify and include at least:

- a) The principles, commitments, objectives and strategy regarding shareholders, employees, customers, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights and the prevention of corruption and other unlawful conduct.
- b) Methods or systems for monitoring compliance with policies, associated risks and their management.
- c) Mechanisms for monitoring non-financial risk, including those related to ethical aspects and business conduct.
- d) Channels of communication, participation and dialog with stakeholders.
- e) Responsible communication practices that avoid the manipulation of information and protect integrity and honor.

Complies  Complies partially  Explain

56. That director remuneration should be sufficient to attract and retain directors with the desired profile and to adequately compensate them for the dedication, qualifications and responsibility that the position demands, but not so high as to compromise the independent judgment of non-executive directors.

Complies  Explain

57. That variable remuneration linked to company performance and personal performance, as well as remuneration through the delivery of shares, options or rights on shares or instruments referenced to the value of the share and long-term savings systems such as pension plans, retirement systems or other social welfare systems, are limited to executive directors.

Delivery of shares as remuneration to non-executive directors may be contemplated provided that the directors are required to hold these shares until they cease to be directors. The above shall not apply to the shares that the director needs to dispose of, if applicable, in order to meet the costs related to their acquisition.

Complies  Complies partially  Explain

58. That as regards variable remuneration, policies should include limits and technical safeguards to ensure that such remuneration reflects the professional performance of the beneficiaries and is not based solely on general developments in the markets or in the company's sector of activity or other similar circumstances.

And, in particular, that variable components of remuneration:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred in order to obtain a result.
- b) Promote the company's sustainability and include non-financial criteria that are geared towards long-term value creation, such as compliance with the company's internal rules and procedures and its policies for risk control and management.



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- c) Are based on balancing the fulfillment of short, medium and long-term objectives, allowing remuneration of continuous performance over a sufficient period of time to appreciate its contribution to sustainable value creation, so that the elements of measurement of this performance do not revolve solely around one-off, occasional or extraordinary events .

Complies  Complies partially  Explain  Not applicable

59. That the payment of the variable remuneration components is subject to sufficient verification that the performance or other previously established conditions have been effectively fulfilled. Entities shall include criteria regarding the time required and methods for such verification depending on the nature and characteristics of each variable component in the Annual Report on Directors' Remuneration.

That entities should also consider the inclusion of a malus clause based on the deferral of the payment of a portion of the variable components for a sufficient period of time that implies their total or partial loss in the event that some event occurs prior to the time of payment that makes it advisable to do so.

Complies  Complies partially  Explain  Not applicable

The new remuneration policy for the Board of Directors for the 2024, 2025 and 2026 financial years includes clawback and malus clauses.

60. That remuneration related to company results should take into account any reservations included in the external auditor's report that reduce these results.

Complies  Complies partially  Explain  Not applicable

61. That a relevant percentage of the variable remuneration of executive directors is linked to the delivery of shares or financial instruments referenced to their value.

Complies  Complies partially  Explain  Not applicable

62. That once shares, options or financial instruments corresponding to the remuneration systems have been assigned, executive directors may not transfer ownership or exercise them until a period of at least three years has elapsed.

An exception is made in the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to changes in the share price for a market value equivalent to at least twice his or her annual fixed remuneration through the ownership of shares, options or other financial instruments.

The above shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favorable opinion of the Appointments and Remunerations Committee, to meet extraordinary situations that so require it.

Complies  Complies partially  Explain  Not applicable

The new remuneration policy for the Board of Directors for the 2024, 2025 and 2026 financial years includes retention periods, although they are less than three years.

63. That contractual agreements include a clause allowing the company to claim reimbursement of the variable remuneration components when the payment has not been adjusted to the performance conditions or when payment has been made on the basis of data that has subsequently been proven to be inaccurate.

Complies  Complies partially  Explain  Not applicable

The new remuneration policy for the Board of Directors for the 2024, 2025 and 2026 financial years includes clawback clauses.

64. That payments for contract termination or extinction should not exceed an amount equivalent to two years of the total annual remuneration and should not be paid until the company has been able to verify that the director has complied with the criteria or conditions established for its payment.



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For the purposes of this recommendation, payments for contractual termination shall include any payments whose accrual or payment obligation arises as a result of or upon termination of the contractual relationship between the director and the company, including amounts not previously consolidated from long-term savings systems and amounts paid under post-contractual non-competition agreements.

Complies [ X ]

Complies partially [ ]

Explain [ ]

Not applicable [ ]



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**H. OTHER INFORMATION OF INTEREST**

1. If there are any relevant aspects regarding corporate governance in the company or group entities that have not been included in the other sections of this report, but which are necessary to include in order to provide more complete and reasoned information on the governance structure and practices in the company or its group, briefly describe them.
2. In this section, any other information, clarification or comment relating to the prior sections of this report may be included insofar as they are relevant and not repeated.

Specifically, indicate whether the company is subject to laws other than Spanish laws regarding corporate governance and, if applicable, include such information as the company is required to provide that is different from the information required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other international, sectoral or other codes of ethical principles or best practices. If so, the code in question and the date on which the company subscribed to it shall be indicated. In particular, it shall indicate whether it has subscribed to the Code of Good Tax Practices of July 20, 2010:

There is no additional information on corporate governance.

This Corporate Governance Annual Report was approved by the Board of Directors of the Company at its meeting on:

February 28, 2024

Indicate whether any Directors voted against or abstained in connection with the approval of this Report.

Yes  
 No



Auditor's report on the "Information on the Internal Control over Financial Reporting System (ICFR)" of TUBACEX, S.A. for 2023.

AUDITOR'S REPORT ON "INFORMATION ON THE INTERNAL CONTROL OVER FINANCIAL REPORTING SYSTEM (ICFRS)".

To the Directors of TUBACEX, S.A.

As request by the Board of Directors of TUBACEX, S.A. (hereinafter, the Entity) and in accordance with our proposal letter dated November 3, 2023, we have applied certain procedures to the "Information on the ICFRS" attached hereto in section F of the Corporate Governance Annual Report of TUBACEX, S.A. for 2023, which summarizes the Entity's internal control procedures for annual financial reporting.

The Directors are responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and overseeing of an adequate internal control system, the development of improvements to that system and the preparation and definition of the content of the attached ICFRS information.

In this respect, it should be borne in mind that, irrespective of the quality of the design and operation of the internal control system adopted by the Entity in relation to the annual financial reporting, the system may only provide reasonable, but not absolute, assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Entity's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Entity's annual accounts. Consequently, the scope of our evaluation of internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the effectiveness of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the Auditor's Report on the Information on the System of Internal Control over Financial Information of Listed Companies, published on the website of the Spanish National Securities Market Commission (CNMV), which define the work to be performed, the minimum scope thereof, and the content of this report. As the scope of the work resulting from these procedures is, in any event, limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, nor on its design or operating effectiveness, with respect to the Entity's annual financial reporting for 2023 described in the ICFR information attached hereto. Consequently, had additional procedures been applied other than those established in the aforementioned Guidelines or had an audit or a review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which we would have reported to you.

As this special work did not constitute an audit of accounts and is not subject to current legislation regulating the audit of accounts in Spain, we do not express an audit opinion under the terms provided in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the Entity regarding ICFR - disclosures included in the Management Report - and an evaluation of whether this information meets all the minimum reporting requirements, taking into account the minimum content described in section F, on the description of the ICFRS, of the ACGR template provided in the National Securities Market Commission (CNMV) Circular No. 5/2013 of June 12, 2013 and subsequent amendments, the most recent being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).
2. Inquiries of the personnel responsible for drawing up the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the Entity.

3. Review of the explanatory documentation supporting the information detailed in point 1 above, primarily including documents made directly available to those responsible for preparing the description of the ICFRS. In this respect, this documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.

4. Comparison of the information detailed in point 1 above with the understanding of the Entity's ICFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.

5. Reading of the minutes of the meetings of the Board of Directors, audit and compliance committee and other committees of the Entity for the purposes of assessing the consistency of the matters discussed at these meetings in relation to the ICFR with the information detailed in point 1 above.

6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing the information detailed in point 1 above.

As a result of the procedures applied to the ICFR information, no inconsistencies or incidents have been detected that could affect it.

This report has been prepared exclusively within the context of the requirements laid down in Article 540 of the Revised Spanish Companies Act and in the CNMV Circulars for the purposes of the description of the ICFR in Corporate Governance Annual Reports.

**INSTITUTE OF  
CHARTERED  
ACCOUNTANTS OF  
SPAIN**

ERNST & YOUNG, S.L.



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Alberto Peña Martínez

ERNST & YOUNG. S.L

2024 No. 03/24/00079

**CORPORATE SEAL:** 30.00 EUR

Distinctive seal for other actions

February 28, 2024