DIRECTORS' REMUNERATION POLICY OF TUBACEX, S.A.

INTRODUCTION

This document sets out the Directors' Remuneration Policy of Tubacex, S.A. (hereinafter, "Tubacex" or the “Company"), which will be submitted for approval at the 2026 General Shareholders' Meeting as a separate item on the agenda (hereinafter, the "Policy"), replacing the current Directors' Remuneration Policy approved by the General Shareholders' Meeting of 21 June 2021 and updated by the meeting held on 22 May 2025. This Policy will enter into force on the date of its approval by the General Shareholders' Meeting and will remain in force until 31 December2028, without prejudice to any adaptations or updates that the Board of Directors may make, where applicable, in accordance with its provisions, and to any amendments that may from time to time be approved by Tubacex's General Shareholders' Meeting.

The Policy, together with the date and result of the vote, will be available free of charge on Tubacex's website from its approval and at least for as long as it remains in force.

The Policy contains the following sections:

1. PRINCIPLES OF THE REMUNERATION POLICY

The general principles underpinning the Remuneration Policy are the following, classified according to their applicability to the different types of directors:

PRINCIPLES	Executive Directors	Non-executive Directors
PROPORTIONALITY AND MODERATION, so that the level of remuneration set at any given time is appropriate to the Company's situation and in line with the market.	●	●
SUITABILITY, so that the responsibility and dedication required of the members of the Board of Directors in their respective roles are appropriately remunerated.	●	●
ALIGNMENT WITH LONGTERM INTERESTS, so that the remuneration of the Board of Directors is compatible with the business strategy and prevents conflicts of interest at all times.	●	
BALANCE BETWEEN FIXED AND VARIABLE COMPONENTS, so that variable remuneration does not represent a significant proportion of fixed remuneration, thereby avoiding excessive risktaking. Variable remuneration is not guaranteed and is sufficiently flexible to allow this component not to be paid.	●	
COMPETITIVENESS, with the aim of ensuring that the remuneration is sufficiently attractive to recruit highly skilled directors with a high professional profile.	●	●
DIVERSITY, with the aim of ensuring fair and non-discriminatory treatment on grounds of gender, origin or age.	●	●
FULL TRANSPARENCY through the issuance of the Annual Remuneration Report and the annual confirmation to the General Shareholders' Meeting that the applicable remuneration policy remains consistent and appropriate for the Company.	●	●

The principles set out above translate into a Policy which, aligned with Tubacex's longterm strategy and the interests of its stakeholders, complies with best practices in good governance:

WHAT WE DO	WHAT WE DO NOT DO

• A portion of remuneration is linked to the Company's results ("pay for performance").
 	
• Short-Term Variable Remuneration:
  ◦ The weight of the financial objectives to which it is linked represents at least 80%.
  ◦ The weight of nonfinancial objectives represents no more than 20%.
  ◦ Inclusion of objectives linked to ESG.
 	
• Long-Term Variable Remuneration:
  ◦ Minimum objective measurement period of 3 years.
  ◦ Mainly in shares or share-linked instruments.
  ◦ Obligation to retain the shares for a period of up to 3 years, linked to the requirement to hold shares permanently.
  ◦ Inclusion of value-creation, economic-financial and ESG objectives.
 	
• Up to 100% of total Variable Remuneration may be subject to clauses for the reduction of remuneration ("malus") or the recovery of remuneration already paid ("clawback").
 	
• The Board of Directors and the Appointments and Remuneration Committee (hereinafter, the "CNR") have external advice for the purpose of considering and interpreting market remuneration information as one further element to be taken into account in the decision-making process.
	• There are no contracts with guaranteed salary increases.
	
	• There is no guaranteed variable remuneration.
	
	• Hedging, pledging, short selling or derivative contracts over the value of shares received during the retention period are not permitted.
	
	• No loans or advances are granted.
	
	• Non-executive directors do not participate in variable remuneration systems. There are no pension commitments with Non-executive Directors.

2. SUMMARY OF THE MAIN CHANGES

During 2023, Tubacex carried out a review of the Remuneration Policy in force at that time with a view to proposing a new policy. For this purpose, in addition to the results obtained in the votes on the annual reports on directors' remuneration in recent years, both internal and external factors were taken into account:

INTERNAL FACTORS	EXTERNAL FACTORS
• Results obtained in recent years. • Strategic priorities in the short and long term. • Alignment with the design of the remuneration system for the management team and all employees. • Increase in the number of committees and greater dedication of directors.	• General recommendations on good corporate governance at national and international level. • Practices of comparable sectors and companies and general market trends. • Recommendations received in the engagement process with institutional shareholders and proxy advisors.

This new Policy, although it follows the policy in force approved by the General Shareholders' Meeting of 22 May 2025 with 95.99% of votes in favour, introduces certain amendments, which are summarised below:

Remuneration policy aplicable to the Chief Executive Officer:

- No changes are made to the remuneration conditions of the Chief Executive Officer as an executive, taking into account that, upon his appointment in March 2025, the General Shareholders' Meeting already updated the amounts of the remuneration items of the chief executive.
- Incorporation of environmental, social or governance (ESG) objectives into variable remuneration, linked to our sustainability strategy.
- Incorporation of "ex-post" adjustments to Variable Remuneration through clauses for the reduction of remuneration ("malus") or the recovery of remuneration already paid ("clawback").
- Establishment of a temporary holding requirement for any shares that may be delivered.

Remuneration policy applicable to directors in their capacity as such:

- Increase in the Fixed Remuneration of the Chairman of the Board of Directors. This increase is due to the high level of complexity of the Chairman's role and the time he must devote to his duties.

- Update of the maximum annual remuneration amount for all directors in their capacity as such. The maximum amount, which was 1,300,000 euros, is increased to 1,600,000 euros. The reasons for updating this limit are the following:

    - To reflect the increase in attendance-fee amounts for attendance at board meetings.

    - To reflect the increase in attendance-fee amounts for attendance at committee meetings.

    - To reflect the increase in the fixed fees of directors in their capacity as such.

    - To reflect the increase in the number of meetings held in recent years and allow payment for all of them, thereby appropriately remunerating the actual activity required of directors over the course of a year.

    - To have a sufficient amount available should the number of directors be increased in the future.

For the determination of the new amounts and remuneration items for directors in their capacity as such, the CNR carried out a new remuneration benchmarking exercise in which it analysed the remuneration of Spanish listed companies comparable to Tubacex in terms of size by revenue, market capitalisation, asset volume and number of employees.

In addition, the format and content of the Remuneration Policy are maintained in line with best practices in transparency, incorporating greater detail on its main aspects.

At the proposal of the CNR, the Board of Directors agreed these amendments, following the CNR's proposal, after considering the votes on the most recent annual directors' remuneration reports, as well as the internal and external factors described above.

3. REMUNERATION OF EXECUTIVE DIRECTOS

At the date on which this Policy was prepared, the Chief Executive Officer is the only member of the Board of Directors who performs executive functions. This section 3 describes the main characteristics of his remuneration system. This system may apply to any new executive directors who may be appointed during the term of this Policy (for further information in this regard, see section 3.6).

3.1. MAIN REMUNERATION COMPONENTS:

Fixed Components
- Fixed Remuneration
- Benefits in kind
- Pension plan

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Short-Term Variable Remuneration
- Cash
- Annual objetives

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Long-Term Variable Remuneration
- Shares/Cash
- 3 year measurement
- Additional retention period

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TOTAL REMUNERATION

The Remuneration Policy provides a reasonable balance between the different fixed and variable elements (short and long term), reflecting appropriate risk-taking combined with the achievement of defined short- and long-term objectives linked to the creation of sustainable value.

The corresponding Annual Report on Directors' Remuneration will state the percentage represented each year by variable remuneration (short and long term) in relation to total remuneration.

3.2. DETAILS OF THE REMUNERATION ELEMENTS:

FIXED REMUNERATION	
Purpose	To reward the level of responsibility of the position in the organisation, professional experience and market practice.
Amount	Chief Executive Officer: €504,700 for 2026
Operation	The Board of Directors determines the fixed remuneration of the executive directors, at the proposal of the CNR. This fixed remuneration is paid monthly in cash. No change to the above fixed remuneration is envisaged during the term of this policy. However, if circumstances so require, remuneration may vary in response to a possible change in responsibilities, development in the role, or special retention and motivation needs, taking market standards into account. The maximum increase for the term of the Policy may not exceed 10% for the entire period. Where applicable, the increase would be detailed in the corresponding Annual Report on Directors' Remuneration together with the underlying reasons.

PENSION PLAN	
Amount	Chief Executive Officer: 5% of Fixed Remuneration.
Operation	The pension plan is a defined-contribution plan and the contingency it covers is retirement. Defined annual contribution pension systems, compatible with the other existing remuneration items and which, under tax regulations, may be redeemed at the time of retirement. Annual contributions are cumulative and vesting, but are conditional on the natural development and fluctuation of this type of investment.

BENEFITS IN KIND	
Amount	Chief Executive Officer: 20% of Fixed Remuneration The Annual Report on Directors' Remuneration will detail the amounts accrued in each financial year.
Operation	The executive director may be the beneficiary of certain benefits in kind, including, among others, a company car, life insurance and health insurance. The granting of other benefits such as loans, advances and guarantees provided by the Company, or additional remuneration for serving as directors of group companies, is not envisaged.

SHORT-TERM VARIABLE REMUNERATION ("STVR")	
Purpose	To reward performance based on the achievement of specific objectives for each financial year.
Amount	• Target: % of Fixed Remuneration. Achieved if 100% of the pre-established objectives are met. • Maximum: 150% of target. Achieved if the preestablished objectives are exceeded.
Metrics	STVR is linked to the achievement of financial and nonfinancial objectives predetermined by the Board of Directors and aligned with Tubacex's strategic priorities. The objectives will be composed of metrics that ensure an appropriate balance between the financial and nonfinancial aspects of the Company's management. Such objectives will not be based solely on occasional or extraordinary events; rather, they must promote the Company's sustainability and recognition of good performance. Nonfinancial objectives will have a maximum weight of 20% of overall STVR. Set out below are some examples of metrics that could be included in STVR: • Economic-financial objectives: such as EBITDA, Operating Profit, Net Profit, Net Financial Debt, CapEx, OpEx, Free Cash Flow, Operating Cash Flow, return metrics (ROE, ROCE, ROA, ROI), etc. Measurement could be performed both in actual terms and in synthetic terms. • Non-financial objectives and performance evaluation, including ESG objectives: for example, reduction of CO_2 emissions, organisational climate indicators, occupational safety, etc. The Annual Report on Directors' Remuneration will provide information on the specific metrics defined for each financial year.
Operation	The Board of Directors, at the proposal of the CNR, is responsible for approving the objectives at the beginning of each financial year and for assessing their achievement once the year has ended. Once the year has ended, the Board of Directors determines the variable remuneration accrued in the year based on the level of achievement of those objectives. In order to ensure that annual variable remuneration is effectively related to the professional performance of the beneficiaries, when determining the level of achievement of quantitative objectives the Board of Directors and the CNR may disregard any extraordinary circumstances that could introduce distortions in the evaluation criteria.

	The achievement scale, set at the beginning of each financial year, includes a minimum threshold below which no incentive is paid, a target level corresponding to 100% achievement of the objectives, and a maximum level, specific to each metric. For the calculation of the STVR amount, the degree of achievement and the weighting of each of the objectives will be considered, and the Company's internal rules and procedures for evaluating objectives, established for its executives, will be applied. In the components related to the Company's results, any qualifications included in the external auditor's report that reduce such results will be taken into account. The CNR may propose to the Board of Directors that adjustments be made to the elements, criteria, thresholds and limits of annual variable remuneration in exceptional circumstances arising from extraordinary internal or external factors or events. Details and justification of such adjustments will be included in the corresponding Annual Report on Directors' Remuneration. The Board of Directors, at the proposal of the CNR, has the authority to agree the application of the ex-post adjustments described in section 3.4.
Payment	STVR will be paid in cash after the annual accounts have been prepared, once they have been closed and audited and, in any case, within the three (3) months immediately following the close of the financial year, except in exceptional circumstances.

LONG-TERM VARIABLE REMUNERATION (“LTVR”)	
Purpose	To foster commitment through a reward that links and integrates executive directors with the Company's Strategic Plan, aligning the directors' objectives with those of shareholders, while maintaining external competitiveness that allows talent to be attracted and retained.
Amount	The maximum amount of LTVR will be detailed in the annual report on directors' remuneration and, where applicable, in the corresponding resolution of the General Shareholders' Meeting. In any event, the maximum amount will take into account the general principles described in section 1 of this Policy. In this regard, LTVR will have a proportionate weight.
Metrics	The objectives established in the LTVR will be approved by the Board of Directors at the beginning of each Plan cycle, at the proposal of the CNR. Set out below are some examples of metrics that could be included in LTVR: • Value-creation objectives for shareholders: for example, Total Shareholder Return (absolute or relative), share price appreciation or Earnings per Share. • Economic-financial objectives: such as EBITDA, Operating Profit, Net Profit, Net Financial Debt, CapEx, OpEx, Free Cash Flow, Operating Cash Flow, return metrics (ROE, ROCE, ROA, ROI), etc. • Nonfinancial objectives, including ESG objectives: for example, reduction of CO2 emissions, organisational climate indicators, occupational safety, etc.

	Some of the metrics may be measured on a relative basis against a comparison group composed of competing companies or a stock market index. Nonfinancial objectives will have a maximum weight of 20% of overall LTVR. The objective measurement period will be at least three years.
Operation	LTVR may be paid in cash and/or include the delivery of shares, share options or remuneration rights linked to their value, provided that the objectives established for this purpose are met. The shares delivered will be subject to an unavailability period of at least one year. LTVR may be structured through overlapping or sequential annual cycles. The Board of Directors, at the proposal of the CNR, is responsible for approving the metrics, weightings, objectives and, where applicable, the comparison group in order to ensure continuous alignment with the Company's strategy. The Board of Directors, at the proposal of the CNR, determines payment levels once the objective measurement period has closed, based on the degree of achievement. Incentive levels for intermediate results will be agreed by the Board of Directors, at the proposal of the CNR, and will be disclosed in the corresponding Annual Report on Directors' Remuneration. The Board of Directors, at the proposal of the CNR, has the power to adjust the payment level to ensure that the outcome is fair and balanced, in light of the Company's overall results and the shareholder experience. The evaluation of results and the determination of the corresponding payment for certain metrics may be carried out on the basis of data provided by external advisers. In this evaluation, the CNR also considers the associated risks. In this regard, positive or negative economic effects arising from extraordinary events that could introduce distortions in the evaluation results may be excluded when proposing the level of achievement of the quantitative objectives. The Board of Directors, at the proposal of the CNR, has the authority to agree the application of the ex-post adjustments described in section 3.4.
Payment	At the end of each cycle, LTVR will be paid in cash or in shares, as applicable. The Chief Executive Officer is required to retain the shares (net of tax) that he may receive for at least three years after their delivery. However, this requirement will not apply if, at the time of delivery, the Chief Executive Officer holds a number of shares whose value is equal to or greater than twice his Fixed Remuneration.

3.3. EX-POST ADJUSTMENTS TO VARIABLE REMUNERATION

Up to 100% of total Variable Remuneration (STVR and LTVR) will be subject to clauses for the reduction of remuneration ("malus") or the recovery of remuneration already paid ("clawback").

Such clauses will apply both to active Executive Directors and to those who have left the Company:

- **Malus:** Variable Remuneration that is pending payment, whether in cash and/or shares, will be reduced or cancelled by the Company if, during the period between the end date of the Plan (Short and/or Long Term) and the time of payment, the inaccuracy or incorrectness of the data used to calculate the final amount is established, taking into account the results of Tubacex, of the business unit and/or of the person concerned.

- **Clawback:** The beneficiary is required to reimburse any amounts unduly received as Shortand/or LongTerm Variable Remuneration paid in cash and/or shares if the Company claims reimbursement of the Variable Remuneration when it has been paid on the basis of data whose inaccuracy or incorrectness is subsequently established. In such case, the beneficiary must reimburse any amount unduly received.

  The Board of Directors may decide to apply the clawback clause at any time during the twentyfour (24) months following payment of the variable remuneration.

3.4. CONTRACTUAL CONDITIONS OF THE CHIEF EXECUTIVE OFFICER

The contract currently governing the performance of the duties and responsibilities of the Chief Executive Officer is commercial in nature and includes the clauses that are customary in this type of contract in order to attract and retain the best professionals. This contract was proposed by the CNRGC and approved by the Company's Board of Directors.

Set out below is a summary of the main conditions of the Chief Executive Officer's contract:

Term	The contract signed between the Company and the Chief Executive Officer is subject to the term of his mandate and conditional upon the renewal of his office.
Internal compliance	Executive directors are required to strictly observe, insofar as it applies to them, all of the Company's internal regulations, especially the Code of Conduct and the Securities Market Code of Conduct.
Non-compete	The contract establishes, in any event, a non-compete obligation in relation to companies with a similar corporate purpose during the relationship with the company and for a specified period after its termination (1 year). Compensation for the post-contractual non-compete obligation is understood to be included in and amounts to one (1) year of Fixed Remuneration.
Severance	Financial compensation is provided for in the event of termination of the contractual relationship with the Company, provided that such termination is not exclusively due to the free will of the executive director, retirement, or a breach of the duties inherent to his office or of the Contract recognised in a final court ruling. In this regard, the amount of such compensation is one (1) year of Fixed Remuneration.
Confidentiality	Maximum duty of confidentiality during the term of the contracts and after the relationship has ended, with the return in such case of all documentation in their possession.

3.5. REMUNERATION APPLICABLE TO NEW EXEJUTIVE DIRECTORS

The remuneration system described above for the Chief Executive Officer will apply to any director who may join the Board of Directors during the term of this Policy to perform executive functions. For these purposes, the CNR and the Board of Directors will take into consideration, in particular, the functions assigned, the responsibilities assumed, professional experience, the market remuneration for that position and any other factors it considers appropriate to determine the elements and amounts of the remuneration system applicable, where appropriate, to the new executive director, which will be duly reflected in the corresponding contract to be signed between the Company and the new executive director.

Exceptionally, and in order to facilitate the hiring of an external candidate, the CNR may propose for decision by the Board of Directors the establishment of a special incentive to compensate for the loss of unvested incentives at the previous company as a result of leaving that company and consequently accepting Tubacex's offer.

For internal promotions, the CNR may cancel and/or compensate preexisting incentives and other obligations that may be in force at the time of appointment.

If the new appointment involves an international assignment, the Company's general international assignment policy will apply.

If new nonexecutive members join the Board of Directors during the term of this Policy, the remuneration system described in section 4 below will apply to them.

4. REMUNERATION OF DIRECTORS IN THEIR CAPACITY AS SUCH

In accordance with the provisions of article 529 septdecies of the Spanish Corporate Enterprises Act, the Directors' Remuneration Policy will determine the remuneration of Directors in their capacity as such, within the remuneration system provided for in the Articles of Association, and must necessarily include the maximum amount of annual remuneration payable to all Directors in that capacity.

In this regard, the maximum annual amount of remuneration for all directors in their capacity as such will be 1,600,000 euros, and will remain in force until its amendment is approved at a subsequent General Shareholders' Meeting.

The exact amount to be paid within that limit and its distribution among the different Directors is for the Board of Directors to determine, at the proposal of the CNR, taking into account the functions and responsibilities assigned to each Director, membership of Committees within the Board of Directors and any other objective circumstances it considers relevant.

The following is a breakdown of the annual elements and amounts applicable to the Remuneration Policy for Directors in their capacity as such:

		Member	Chairman
Board of Directors	Annual fixed remuneration	€50,000	€165,000
	Attendance fees	€3,000/meeting	€6,000€/meeting
Committees	Annual fixed remuneration	€5,000	€12,000
	Attendance fees	€2,000/meeting	€2,000/meeting

The Board of Directors will decide the time-accrual criterion for payment of the items referred to above, as well as the payment method for each of them, which will preferably be in cash.

These amounts may be reviewed and updated by the Board of Directors, following a report from the CNR, within the maximum annual amount approved by the General Shareholders' Meeting. The specific remuneration of each director will be detailed in the corresponding Annual Report on Directors' Remuneration. Executive directors will under no circumstances receive remuneration for attending meetings of the committees that require their attendance.

Directors in their capacity as such will be entitled to reimbursement of any reasonable expenses (travel, transportation, subsistence, mobile phone, representation or any other type) incurred as a result of the performance of their duties, provided that they are duly justified.

The Company has also taken out directors' liability insurance under market conditions.

The granting of loans, advances or guarantees provided by the Company in favour of the members of the Board of Directors, or additional remuneration for serving as directors of group companies, is not envisaged.

Nor is provision made for nonexecutive directors to participate in social welfare systems, for severance payments for their supervisory and collective decision-making duties in relation to the termination of their relationship with the Company as directors, or for the granting of other additional remuneration other than that included above.

Likewise, the Company will pay annually the travel and accommodation expenses incurred in connection with the meetings of both the Board of Directors and its different committees, as well as the annual premium for the Senior Officers' and Directors' insurance covering all members of the Board of Directors.

In the event of the death of any member of the Board of Directors, the remuneration pending settlement will be received by his or her legal heirs.

5. PROCESS FOR DETERMINING, REVIEWING AND APPLYING THE REMUNERATION POLICY

5.1. INTERNAL REGULATIONS AND COMPANY BODIES INVOLVED

The Company's Remuneration Policy is regulated in the Articles of Association, in the Regulations of the Board of Directors and in the Regulations of the CNR. Specifically, in article 16 of the Articles of Association, articles 24 and 25 of the Regulations of the Board of Directors and article 3 of the Regulations of the CNR.

On the basis of the foregoing, the CNR proposes the Remuneration Policy to the Board of Directors, which submits it for approval by the General Shareholders' Meeting.

Set out below are the functions performed by the aforementioned Company bodies involved in the review, determination and approval of the Policy:

General Shareholder's Meeting

The General Shareholders' Meeting is responsible for approving:

- The Remuneration Policy at least every three years.
- The maximum amount of annual remuneration for all directors in their capacity as such.
- The variable remuneration systems for directors that include the delivery of shares or share option rights or remuneration referenced to the value of shares.
- An annual advisory vote on the Annual Report on the remuneration of the Board of Directors.

Boards of Directors:

- With regard to directors in their capacity as such, it approves the distribution among the different items of the maximum amount approved by the General Shareholders' Meeting.
- With regard to Executive Directors, it approves the fixed remuneration and the main conditions of the short- and long-term variable remuneration systems.
- It approves the contracts governing the performance of the duties and responsibilities of Executive Directors.
- It reviews proposals for the adaptation, updating or approval of the Directors' Remuneration Policy that must be submitted for approval by the General

Shareholders' Meeting.

- It approves the annual report on Directors' remuneration to be submitted to the advisory vote of the General Shareholders' Meeting.

Appointments and Remuneration Committee:

- It proposes to the Board of Directors the distribution, among the different items, of the maximum amount approved by the General Shareholders' Meeting.

- It proposes to the Board of Directors the fixed remuneration of Executive Directors and annually reviews the variable remuneration conditions that must be approved by the Board of Directors.

- It proposes to the Board of Directors the contracts governing the performance of the duties and responsibilities of Executive Directors.

- It proposes to the Board of Directors the approval of the Report on Directors' Remuneration and, where applicable, the Remuneration Policy, its adaptations or updates.

In performing the functions described above, the CNR may rely on the advice of independent external consultants and remuneration experts and will ensure that any conflicts of interest do not impair the independence of the advice provided to the Committee.

5.2. CRITERIA ADOPTED IN DETERMINING THE REMUNERATION POLICY

Internal and external factors:

The CNR considers both Tubacex's internal reality and the external environment in which the Company operates, including guidelines issued by proxy advisors and institutional shareholders. The CNR also considers information from institutional investors received through Tubacex's periodic consultation process.

For more information, section 2 above details the internal and external factors that the CNR took into account when reviewing the Remuneration Policy.

Consideration of the remuneration conditions of employees as a whole and the perspective of the management team

For the purposes of establishing the remuneration conditions of the Chief Executive Officer described in this Remuneration Policy, the remuneration strategy applicable to the Company's employees and managers has been taken into account.

In this regard, the design of the remuneration policy applicable to the Chief Executive Officer is aligned with that applicable to employees as a whole, especially the management group, remunerating them for the value they bring to Tubacex and sharing the following principles with the remuneration policy for the Company's Senior Management group.

- **Total remuneration structure:** the remuneration package offered by Tubacex may be composed of fixed and variable components, as well as benefits in kind and other social benefits. In any event, fixed remuneration has a significant weight insofar as, in certain circumstances, variable remuneration may be zero.
- **Remuneration equity:** non-discrimination on grounds of sex, age, culture, religion or race is guaranteed when applying remuneration practices and policies. In this regard, Tubacex professionals are remunerated in a manner consistent with their level of responsibility, leadership and performance within the organisation, fostering the retention of key professionals and the attraction of the best talent.
- **Pay for performance:** part of the total remuneration of Senior Executives and of a high percentage of the Company's employees is variable in nature and its receipt is linked to the achievement of financial, business and value-creation objectives that are predetermined, specific, quantifiable and aligned with Tubacex's corporate interest.
- **Proportionality:** remuneration levels are appropriate to the importance of the Company, its economic situation at any given time and market standards in comparable sectors and companies.
- **Prudence:** the criteria used by the CNR to establish fixed, variable or other remuneration take into account the risks implicit in such decisions and the implications that may arise for the Company in the long term.
- **Values:** the Remuneration Policy is designed to attract and retain the best talent and motivate a high-performance culture.

6. ACTIONS ADOPTED TO ALIGN THE REMUNERATION POLICY WITH THE COMPANY'S LONG-TERM OBJECTIVES, VALUES AND INTERESTS

The consistency of the Remuneration Policy with the Company's strategy, interests and long-term sustainability is based on the following:

- The Remuneration Policy has been designed consistently with the company's strategy and its focus on obtaining long-term results

  (i) The remuneration of executive directors consists of different remuneration elements, fundamentally fixed remuneration, short-term variable remuneration and long-term variable remuneration. In a standard scenario of achievement of the objectives associated with annual and multiyear variable remuneration, fixed remuneration represents around half of total compensation.

  (ii) With regard to the metrics established, short-term variable remuneration sets specific and quantifiable financial and nonfinancial objectives linked to the corporate interest and to the Company's long-term sustainable growth.

  (iii) Longterm variable remuneration plans are set within a multiyear framework, to ensure that the evaluation process is based on long-term results and takes into account the Company's underlying economic cycle. This remuneration is granted and paid partly in the form of shares on the basis of value creation, so that the interests of Executives are aligned with those of shareholders.

  (iv) Any shares delivered to the Chief Executive Officer under Long-Term Variable Remuneration will be subject to a 3 year retention period until the permanent shareholding requirement is met (2 years of Fixed Remuneration).

- Appropriate balance between fixed and variable remuneration components.

  The variable remuneration system is flexible and allows no variable remuneration to be received if the minimum achievement levels are not met; accordingly, it is not guaranteed. The percentage of short- and long-term variable remuneration may be significant if the maximum level of achievement of the objectives set is reached.

- In addition, the following measures may be mentioned as contributing to avoiding excessive risk-taking and fostering a culture of commitment to objectives:

  (i) The corporate governance system, internal regulations and control and compliance systems, which establish supervisory mechanisms and checks and balances to avoid concentration of decision-making capacity in areas that may involve a high assumption of risks.

  (ii) Payment of annual variable remuneration takes place after the date of preparation and audit of the annual accounts and after determining the degree of achievement of the objectives.

  (iii) Variable remuneration will be subject to malus and clawback clauses.

7. TERM

This Policy replaces the latest update of the Directors' Remuneration Policy approved by the General Shareholders' Meeting held on 22 May 2025, will enter into force on the date of its approval by the General Shareholders' Meeting, will apply to remuneration accrued from 1 January 2026 and will remain in force until 31 December 2028, without prejudice to any adaptations or updates that the Board of Directors may make, where applicable, in accordance with its provisions, and to any amendments that may from time to time be approved by Tubacex's General Shareholders' Meeting.

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