
COMPLIANCE AND CRIMINAL RISK
PREVENTION POLICY



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Introduction.

This Compliance and Criminal Risk Prevention Policy (hereinafter, the "Policy") establishes the basic principles and guidelines for regulatory compliance and criminal risk prevention for Grupo Tubos Reunidos (hereinafter, "Group", "TR Group").

In accordance with current criminal law and best practices in matters of compliance (UNE 19601 Standard on Compliance Management Systems), it is advisable for organisations to have organisational and management models that include surveillance and control measures to prevent and mitigate the commission of crimes within companies.

In view of the above, the Board of Directors of Tubos Reunidos, S.A. (hereinafter, "TRSA") has implemented a Criminal Liability Prevention Model (hereinafter, the "Model") in order to promote a true ethical business culture and prevent any irregularities or criminal offences. In this way, the Group strengthens and promotes its ethical business culture, establishes control mechanisms and reduces the possibility of criminal offences being committed within the Group, either directly or indirectly, expressly stating its rejection.

With a firm commitment to ensuring compliance with ethical principles, good corporate governance and transparency, quality and excellence, customer focus and integrity, one of TR Group's priorities, based on the highest standards already in place in the Group, is to develop a solid corporate culture of regulatory compliance, in which its ethical values are central to its activity and decision-making.

The corporate governance system is inspired by and based on TR Group's values linked to commitment to society, environmental, economic and social sustainability, occupational safety, quality, ethical behaviour, innovation and transparency.

In this way, and in line with the provisions of applicable criminal law, the Group has adopted internal regulatory instruments and appropriate control and management systems in the area of detection and prevention of the criminal risks linked to its activity.

1. Purpose of the policy.

The purpose of this Policy is to express TR Group's desire to establish a culture of regulatory compliance that allows for the development of diligent professional conduct within the Group, as well as to demonstrate the Group's firm condemnation of the commission of any kind of illegal act, criminal or otherwise, which under no circumstance may be justified on the basis of a benefit for the Group.

2. Scope of application.

2.1. Addressees of the policy

This Policy is binding on and applies to the members of the Board of Directors, Senior Management and in general, without exception and regardless of their position, responsibility, occupation or location, to all TR Group personnel (hereinafter, "Personnel").

In addition, persons who act on behalf of the TR Group without being part of its organisation shall comply with the provisions of this Policy and undertake to act in accordance with this Policy when acting on behalf of or in representation of the Group in the performance of their duties.

2.2. Covered activities

This Policy applies to all activities carried out by the TR Group.

The TR Group is mainly engaged in the production, processing and marketing of seamless steel pipes in a wide range of sizes and with multiple technical requirements to meet the needs of the markets and sectors in which it operates.

3. General principles of action in the Criminal Liability Prevention Model.

Without prejudice to the provisions of the Code of Ethical Conduct, TR Group's Criminal Liability Prevention Model is inspired by the following general principles, which constitute the fundamental basis of both the Group's internal regulations and the actions of its personnel:

- **Compliance with the law and internal regulations:** Respect for the law and zero tolerance towards the commission of illegal or unethical acts is one of the fundamental principles of the TR Group.
It is for this reason that the TR Group, and especially the Board of Directors of TRSA and Senior Management, will act and demand that everybody act at all times in accordance with the provisions of current legislation and the Criminal Liability Prevention Model.

- **Independence and transparency in relations with third parties:** Independence and transparency are inalienable values for the TR Group, and therefore all Personnel will act impartially at all times, maintaining an independent criterion, free from any kind of external pressure or private interest.
- **Respect for the image and reputation of the TR Group:** The Group considers respect for its image and reputation as one of its most valuable assets, which contributes to generating a perception of a company with integrity and respect for the market and its stakeholders.
Personnel must exercise the utmost care and due diligence to preserve the Group's image and reputation in all their professional activities, including public speaking engagements.
- **Appropriate policies and procedures:** The Group must have procedures and protocols appropriate to its activity and structure in order to reasonably prevent the various risks arising from its activity.
- **Continuous supervision and monitoring:** The TR Group will provide an adequate framework for the definition, supervision, monitoring and achievement of the objectives of the Model, in such a way that all Personnel, especially those in positions of responsibility, must promote and participate in the processes established for this purpose in terms of self-monitoring and verification of the Group's policies, procedures and protocols.
- **Human and financial resources:** The TR Group will ensure that the Independent Monitoring Body has sufficient resources to be able to effectively fulfil its supervisory, monitoring and control duties.
- **Obligation to report possible unlawful conduct:** In order to prevent or, where appropriate, detect any irregular conduct that may occur in the TR Group, all Personnel are obliged to report and denounce possible risks or breaches of the Group's internal regulations and/or any action that may be considered unlawful or criminal that they suspect or become aware of, through the Group's Whistleblower Channel.
In the event of such unlawful conduct, the TR Group shall apply, in a proportionate and appropriate manner, the relevant disciplinary sanctions, without retaliating against those who report in good faith.
- **Consequences of non-compliance with TR Group's internal regulations:** The Group has a disciplinary system applicable to all Personnel in the event of non-compliance with the Model or with the applicable internal regulations, by virtue of the provisions of the labour regulations in force (understood as the set of Collective Agreements, the Workers' Statute or any other applicable rule and/or regulation).

4. Bases of TR Group's Criminal Liability Prevention Model.

The Criminal Liability Prevention Model is a compilation of the procedures and controls in place in the Group to prevent, detect or react to the commission of criminal risks. It essentially comprises the following elements:

- The **Independent Monitoring Body** (hereinafter the "IMB") is a key control element to ensure the proper functioning of the Model. The functions of the IMB are regulated in the Internal Regulations of the Independent Monitoring Body.
- **Code of Ethical Conduct:** The Group has a Code of Conduct accessible to all Personnel through the Group's website, which sets out the values, principles and conduct guidelines that must govern the professional behaviour of the TR Group.
- **Compliance and Criminal Risk Prevention Manual:** This establishes TR Group's model for the organisation, prevention, management and control of criminal risks and aims to promote a culture of compliance within the Group, as well as the implementation of control standards and procedures that minimise the risk of illegal behaviour by TR Group's Personnel.
- **Methodology for the evaluation and identification of criminal risks:** This is the basis for the identification of criminal risks, depending on the activity carried out by the TR Group, as well as their evaluation and prioritisation.
- **Training on compliance and criminal risk prevention:** The Group has established a specific training plan on compliance and criminal risk prevention for all Group Personnel.
- **Whistleblower Channel:** The Group has a Whistleblower Channel that allows employees to make enquiries and report any potentially significant irregularity that, in their opinion, involves a breach of the principles set out in the Code of Ethical Conduct or the Criminal Liability Prevention Model.
- **Supervision and monitoring system:** The supervision and monitoring system makes it possible to continuously validate the implementation of the Model in the TR Group, periodically checking the effectiveness of the existing policies, procedures and controls, as well as their evolution, so that the Group has an overview of the activity carried out in this area, allowing it to take the necessary actions to ensure its adequacy and effectiveness in the development of its functions of prevention, management and control of criminal risks.
- **Disciplinary regime:** All Group personnel have the obligation to comply with the Code of Ethical Conduct and the Group's policies and procedures; therefore, any conduct contrary to such obligation will result in the application of disciplinary measures in accordance with the Group's internal regulations and, in particular, the Disciplinary Regime. Such measures shall in no case be contrary to applicable labour regulations.
- **Economic-financial management model:** The TR Group has a series of financial and economic controls and procedures that ensure full transparency and accuracy in its accounting books, transactions and, in general, the economic management of the Group.
In addition, in the budgetary sphere, a sufficient financial allocation has been made to facilitate correct and effective compliance with the Model.

This Compliance and Criminal Risk Prevention Policy is now added to regulatory, operational and training instruments, all of which constitute the TR Group's Criminal Liability Prevention Model.

5. Monitoring Body, consultation and interpretation.

5.1. Independent Monitoring Body

The IMB shall be the internal body in charge of updating, supervising and monitoring compliance with the provisions of this Policy.

In addition, the IMB will resolve any doubts or queries that may arise from the implementation and interpretation of the rules contained in the Policy.

5.2. Consultations and interpretation

This Policy establishes the minimum requirements and should be understood as a guide to exemplary standards for the behaviour of personnel subject to this Policy. Likewise, any other internal provisions of the TR Group that may be applicable to each specific case or circumstance must be observed at all times.

In case of any doubt or consultation regarding the application and interpretation of the content described in this Policy, please contact the IMB at the following address: canaldedenuncias@tubosreunidos.com.

6. Commitment of the Board of Directors, Chairman and Senior Management.

This Policy reinforces the commitment of the Board of Directors of TRSA, the Chairman, the management bodies of the companies in the Group and the Group's Senior Management in the defence of legal compliance, as well as in the communication and dissemination of the principles contained in the Model.

In addition, in implementing such commitment, both the Chairman and the members of senior management of the TR Group sign their respective statements of commitment. The purpose of such statements is to confirm their respect for and commitment to compliance with the Model and the main internal policies that comprise it, rejecting the commission of any illegal or irregular act.

7. Breach of the Policy.

Compliance with the provisions of this Policy is the responsibility of all directors, executives and employees of the TR Group. However, both the directors and the members of Senior Management shall be responsible for disseminating the content of the Policy, as well as for supervising compliance with the same, in each of their respective areas of activity.

Personnel subject to this Policy are obliged to report all breaches or violations related to the Policy and other applicable internal regulations of which they have knowledge or suspicion through the Whistleblower Channel, at the following address: canaldedenuncias@tubosreunidos.com.

Failure to comply with the provisions of this Policy may result in the application of the appropriate disciplinary measures, all in accordance with the provisions of the Group's disciplinary regime.

8. Policy review, approval and dissemination.

This Policy, as well as the Criminal Liability Prevention Model, shall be subject to continuous review and improvement, especially when regulatory, social, business or any other circumstances so require.

This Compliance and Criminal Risk Prevention Policy was approved by the Board of Directors of TRSA on 29 April 2021, and made available to all Personnel on the corporate website for mandatory compliance.

Annex I. Statement of Commitment.

Statement of commitment

Date: [*]

Addressed to: GRUPO TUBOS REUNIDOS INDEPENDENT MONITORING BODY

Submitted by: [*]

Grupo Tubos Reunidos has as its essential objective the creation of long-term sustainable value for its customers, employees, shareholders, suppliers and society in general and defines itself as a company that is socially committed to human rights, ethics and integrity, good governance and the environment. In this regard, the Group is committed to complying with the highest ethical and integrity standards in its business relationships with third parties, as set out in the Compliance and Criminal Risk Prevention Policy.

All Directors, Executives and employees of Grupo Tubos Reunidos must comply with the policies, procedures and protocols implemented for control and compliance with current regulations.

Failure by any Director, Executive or employee to comply with the provisions contained in the Compliance and Criminal Risk Prevention Policy may result in the application of the relevant sanctioning and disciplinary measures.

It is therefore the responsibility of each and every one of us to comply with, and enforce compliance with, national and international regulations on compliance and criminal risk prevention.

Yours sincerely,

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