



## 2019 Compensation Report

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## 1. Introduction.

This Compensation Report (the “Report”) is prepared in compliance with article 7ter of the Luxembourg Law of 24<sup>th</sup> May 2011, as amended by the Luxemburg Law of 1<sup>st</sup> August 2019 (the “Shareholders’ Rights Law”) on the exercise of certain rights of shareholders in general meetings of listed companies, which transposes EU Directive 2017/828 of the European Parliament and of the Council of 17<sup>th</sup> May 2017 (amending Directive 2007/36/EC) regarding the encouragement of long-term shareholder engagement in listed companies within the Member States of the European Union.

This Report sets forth the compensation paid or payable by Tenaris S.A. (“Tenaris” or the “Company”), or any of its subsidiaries, to the members of the Company’s board of directors (the “Board”) and Tenaris’s managing director or chief executive officer (the “CEO”), for the performance of their duties during the year ended December 31, 2019. This Report relates to, and must be read in conjunction with, the Compensation Policy, which sets forth the principles and guidelines for purposes of determining the compensation payable to the Board and the CEO.

The Report has been approved by the Board on 29 April 2020 and, in accordance with the Shareholders’ Rights Law, will be submitted to the non-binding vote of the shareholders at the next general meeting of shareholders of the Company to be held on 2<sup>nd</sup> June 2020.

## 2. Directors’ Compensation.

### 2.1 Board’s composition.

The general meeting of shareholders held on 6<sup>th</sup> May 2019 resolved to maintain the number of members of the Board at eleven and re-appointed the existing members, each to hold office until the next annual general meeting of shareholders. The following table sets forth the name of the directors, their principal occupation, their years of service as board members and their age.

Name	Principal Occupation	Years as Director	Age at December 31, 2019
Mr. Roberto Bonatti (1)	President of San Faustin S.A.	17	70
Mr. Carlos Condorelli	Director of the Company and Ternium S.A.	13	68
Mr. Germán Curá	Director and Vice Chairman of the Board	2	57
Mr. Roberto Monti	Director of the Company	15	80
Mr. Gianfelice Mario Rocca (1)	Chairman of the board of directors of San Faustin S.A:	17	71
Mr. Paolo Rocca (1)	Chairman and Chief Executive Officer of the Company	18	67
Mr. Jaime José Serra Puche	Chairman of SAI Derecho & Economía	17	68
Mr. Yves Speekaert	Director of the Company	3	59
Ms. Mónica Tiuba	Director of the Company	2	41

Mr. Amadeo Vázquez y Vázquez	Director of the Company	17	77
Mr. Guillermo Vogel	Director and Vice Chairman of the Board	17	69

<sup>(1)</sup> Paolo Rocca and Gianfelice Rocca are brothers, and Roberto Bonatti is Paolo and Gianfelice Rocca's first cousin.

Roberto Bonatti. Mr. Bonatti is a member of the Board. He is a grandson of Agostino Rocca, founder of the Techint Group, a group of companies controlled by San Faustin. Throughout his career in the Techint Group he has been involved specifically in the engineering and construction and corporate sectors. He was first employed by the Techint Group in 1976, as deputy resident engineer in Venezuela. In 1984, he became a director of San Faustin, and since 2001 he has served as its president. He is also a member of the board of directors of Ternium. Mr. Bonatti is an Italian citizen.

Carlos Condorelli. Mr. Condorelli is a member of the Board. He served as the Company's Chief Financial Officer from October 2002 until September 2007. He is also a board member of Ternium. He has held several positions within Tenaris, including also the Chief Financial Officer position in some of the principal Tenaris Group companies and member of the Company's audit committee between November 1, 2017 and May 2, 2018. He also served as president of the board of directors of Empresa Distribuidora La Plata S.A. ("Edelap"), an Argentine utilities company. Mr. Condorelli is an Argentine citizen.

Germán Curá. Mr. Curá is a member of the Board and also holds the position of Vice Chairman of the Board. He served as president of our operations in North America until May 2, 2018, a position held since 2006. He was first employed by Siderca in 1988. Previously, he served as Siderca's exports director, Tamsa's exports director and commercial director, sales and marketing manager of our Middle East subsidiary, president of Algoma Tubes, president and Chief Executive Officer of Maverick Tubulars and president and Chief Executive Officer of Hydril, director of our Oilfield Services global business unit and Tenaris commercial director. He was also a member of the board of directors of API and currently serves as a member of the board of directors of the American Iron and Steel Institute (AISI) and of Deep Ocean AS. He is a marine engineer from the Instituto Tecnológico de Buenos Aires and an MBA graduated from the Massachusetts Institute of Technology. Mr. Curá is an U.S. citizen.

Roberto Monti. Mr. Monti is a member of the Board and of its audit committee. He has served as vice president of exploration and production of Repsol YPF and as chairman and Chief Executive Officer of YPF. He was a member of the board of directors of YPF until December 2019. He was also the president of Dowell, a subsidiary of Schlumberger and the president of Schlumberger wire & testing division for East Hemisphere Latin America. Mr. Monti is an Argentine citizen.

Gianfelice Mario Rocca. Mr. Rocca is a member of the Board. He is a grandson of Agostino Rocca. He is Chairman of the board of directors of San Faustin, member of the board of directors of Ternium, president of the Humanitas Group and president of the board of directors of Tenova S.p.A. Moreover, in Italy, he is member of the board of Bocconi University, of the advisory board of Politecnico di Milano. At international level, he is member of the Harvard Business School Advisory Board and member of the European Round Table of Industrialists ("ERT"). Mr. Rocca is an Italian citizen.

Paolo Rocca. Mr. Rocca is the Chairman of the Board and our Chief Executive Officer. He is a grandson of Agostino Rocca. He is also the chairman of the board of directors of Ternium and a director and vice

president of San Faustin. He is a member of the executive committee of the World Steel Association. Mr. Rocca is an Italian citizen.

Jaime José Serra Puche. Mr. Serra Puche is a member of the Board and of its audit committee. He is the chairman of SAI Consultores, a Mexican consulting firm, and a member of the board of directors of the Mexico Fund, Grupo Vitro, and chairman of the board of BBVA Bancomer. Mr. Serra Puche served as Mexico's Undersecretary of Revenue, Secretary of Trade and Industry, and Secretary of Finance. He led the negotiation and implementation of NAFTA. Mr. Serra Puche is a Mexican citizen.

Yves Speeckaert. Mr. Speeckaert is a member of the Board. He served as director of KPMG Consulting in London, United Kingdom and Sao Paulo, Brazil, where he led various high-profile engagements in the telecom, energy and agri-business industries. He was also director of structured finance of Banca Intesa-Sanpaolo (London). Since 2010 he is a Luxembourg-based independent director of regulated investment funds (mostly private equity, RE, and UCITS funds, as well as impact funds) and he is a member of the board of directors of several industrial holdings. He is also active in carbon offsetting and climate change mitigation strategies with funds, governments and corporations particularly as related to Corporate Environmental and Social Responsibility (ESR). He is a member of the Luxembourg Institute of Administrators (ILA). He holds an MBA from the University of California at Berkeley and a B.A in Philosophy from the University of Louvain and is a contributing and active member of the Alumni association of UC Berkeley. Mr. Speeckaert is a Belgian citizen.

Mónica Tiuba. Ms. Tiuba is a member of the Board and of the audit committee. She is a Brazilian qualified lawyer and accountant with over 17 years of professional experience in Brazil and Luxembourg. She started her career at Barbosa, Mussnich & Aragão law firm in Rio de Janeiro, Brazil, where she practiced corporate law, M&A and tax litigation. She worked in EY and PwC, in the Brazil and Luxembourg offices, advising multinational clients, private equity houses and family offices. She gained banking experience working as international senior wealth planner at Banque Edmond de Rothschild, in Luxembourg. She holds a specialization in EU tax law from Leiden University and a Master of Laws in international taxation from Vienna University of Economics. Ms. Tiuba is a Brazilian and Luxemburgish citizen.

Amadeo Vázquez y Vázquez. Mr. Vázquez y Vázquez is a member of the Board and the chairman of its audit committee. He is a member of the advisory board of the Fundación de Investigaciones Económicas Latinoamericanas and member of the Asociación Empresaria Argentina. He is a business consultant and previously served as Chief Executive Officer of Banco Río de la Plata S.A. until August 1997, independent director and chairman of the audit committee of BBVA Banco Francés S.A. until 2003, Chairman of the board of directors of Telecom Argentina S.A. until April 2007 and independent alternate director of Gas Natural Ban, S.A, of Grupo Gas Natural Fenosa until April 2018. Mr. Vázquez y Vázquez is a Spanish and Argentine citizen.

Guillermo Vogel. Mr. Vogel is a member of the Board and also holds the position of Vice Chairman of the Board. He is the chairman of Grupo Collado and Exportaciones IM Promoción, and served as president of Canacero until April 16, 2018. Mr. Vogel is also a member of the board of directors of each of Techint, S.A. de C.V., Alfa, Banco Santander (México) S.A, the Universidad Panamericana – IPADE, Corporación Mexicana de Inversiones de Capital, Innovare, Grupo Assa and the American Iron and Steel Institute. In addition, he is a member of The Trilateral Commission and member of the International Board of The Manhattan School of Music. Mr. Vogel is a Mexican citizen.

## 2.2 Audit Committee's Composition.

The audit committee of the Board currently consists of four members. The Board resolved, at a meeting held on 6<sup>th</sup> May 2019, to re-appoint Roberto Monti, Jaime José Serra Puche, Mónica Tiuba and Amadeo Vázquez y Vázquez, as members of the audit committee.

All members of the audit committee qualify as independent directors for purposes of the U.S. Securities Exchange Act Rule 10A-3(b)(1), and Monti, Serra Puche and Vázquez y Vázquez also qualify as independent directors under the Company's articles of association.

The Board has determined that Ms. Tiuba is competent in accounting or auditing matters. In addition, the membership of the audit committee as a whole has sufficient relevant knowledge of the business and financial experience to properly discharge its functions.

## 2.3 Compensation for the year ended 31<sup>st</sup> December 2019.

The general meeting of shareholders held on 6<sup>th</sup> May 2019 approved the compensation payable to directors, and resolved that: (i) each director receive a fixed compensation for an amount of US\$115,000 for the performance of his/her duties during the fiscal year 2019; (ii) each director who is also a member of the Company's audit committee receive an additional fee of US\$55,000 and; (iii) the chairman of the Company's audit committee receive, further, an additional fee of US\$10,000.

In all cases, directors' compensation is net of any applicable Luxembourg social security charges.

No variable compensation has been paid or shall be payable to directors for the performance of their duties during the year 2019 and no long-term incentive or pension plan is available to directors.

## 2.4 Historical Evolution.

The following table sets forth directors' compensation for the preceding five-year period.

<b>Year</b>	<b>Compensation payable to each Director</b>	<b>Additional fee to each member of the Audit Committee</b>	<b>Additional fee to the Chairman of the Audit Committee</b>
2019	US\$ 115,000	US\$ 55,000	US\$ 10,000
2018	US\$ 115,000	US\$ 55,000	US\$ 10,000
2017	US\$ 115,000	US\$ 55,000	US\$ 10,000
2016	US\$ 85,000	US\$ 55,000	US\$ 10,000
2015	US\$ 85,000	US\$ 55,000	US\$ 10,000

## 2.5 Assessment.

The Board considers that the compensation payable to each director, to such directors who are also members of the Company's audit committee and to the audit committee's chairman, for the performance of their duties for the year ended 31<sup>st</sup> December 2019, is competitive with peer companies and is at the same time consistent with Tenaris's overall strategic objectives.

The Board also believes that directors' compensation for the year 2019 is consistent with Tenaris's Compensation Policy.

### 3. CEO's Compensation.

#### 3.1 CEO's appointment.

The Board resolved, at a meeting held on 6<sup>th</sup> May 2019, to re-appoint Paolo Rocca as *administrateur délégué* or CEO, and to delegate to him the power to manage the Company's affairs within the ordinary course of business, to the full extent permitted by Luxembourg law, to direct and supervise the business activities of the Company's subsidiaries and to represent the Company in relation to such matters.

#### 3.2 Compensation for the year ended 31<sup>st</sup> December 2019.

Consistent with Tenaris's past practice and applicable law, the Board approved, at a meeting held on 20<sup>th</sup> February 2019, the CEO's compensation proposal for the year ending 31<sup>st</sup> December 2019, establishing a base compensation of US\$3 million, and a variable compensation to be determined at the appropriate time. At a meeting held on 19<sup>th</sup> February 2020, the Board determined the CEO's variable compensation for the year 2019 in the amount of US\$4 million. The CEO's annual compensation has been reported to the annual general meeting of shareholders in accordance with article 441-10 of the Luxembourg law of 10<sup>th</sup> August 1915 on commercial companies, as amended.

The CEO's compensation is net of any applicable Luxembourg social security charges. The base compensation is payable in monthly instalments.

Any amounts received by the CEO from the Company or any of its subsidiaries, as employee, member of the Board or in any other capacity, will be deducted from the above compensation package.

No long-term incentive or pension plan is awarded to the CEO.

#### 3.3 Historical Evolution.

The following table sets forth the CEO's compensation for the preceding five-year period.

Year	Fixed Compensation	Variable Compensation
2019	US\$ 3,000,000	US\$ 4,000,000
2018	US\$ 3,000,000	US\$ 4,000,000
2017	US\$ 2,700,000	US\$ 4,300,000
2016	US\$ 2,700,000	US\$ 3,500,000
2015	US\$ 2,700,000	US\$ 3,500,000

#### 3.4 Assessment.

The Board considers that the compensation payable to the CEO for the performance of his duties during the year ended 31<sup>st</sup> December 2019, is competitive with peer companies and consistent with Tenaris's overall strategic objectives. The variable compensation payable to the CEO for his services during the year 2019, seeks to incentivize his contribution to the Company's long-term sustainability.

For purposes of determining the CEO's compensation, the Board reviewed a report prepared by a reputable independent compensation consultant on the compensation payable to their chief executive officers by nine public traded comparable companies in terms of industry, size and complexity of business and operations, focusing on cash compensation (in the form of fixed salary and

variable bonus) and long-term incentives (such as stock options, stock plans, long-term incentive plans). The Board analyzed market competitiveness, viewing compensation programs from a total compensation perspective, and reviewed the consultant's recommendations.

In order to determine the amount of the variable compensation payable to the CEO for the year ended December 31, 2019, the Board assessed the CEO's personal contribution to the development of the Company's business and achievement of the corporate strategy, and took into consideration the main events that occurred during 2019, their implications to the Company, and the competitive landscape in the industry and the market at the time of the assessment. The Board believes that the overall compensation payable to the CEO for the year 2019 is consistent with Tenaris's Compensation Policy.