



Tenaris Compensation Policy

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1. Introduction

Tenaris S.A. (the “Company” and, together with its subsidiaries, “Tenaris”) is a leading global manufacturer and supplier of steel pipe products and related services for the world’s energy industry and for other industrial applications. Tenaris’s customers include most of the world’s leading oil and gas companies as well as engineering companies engaged in constructing oil and gas gathering, transportation, processing and power generation facilities, and its principal products include casing, tubing, line pipe, and mechanical and structural pipes.

This Compensation Policy (the “Policy”) sets forth the principles and guidelines for purposes of determining the compensation payable to the members of the Company’s board of directors (the “Board”) and Tenaris’s managing director or chief executive officer (the “CEO”). This Policy is adopted in compliance with article 7 bis of the Luxemburg Law 24th May 2011, as amended by the Luxembourg Law of 1st 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 17th 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 Policy is effective as from the fiscal year ending 31st December 2020.

2. Main Objectives of the Policy

2.1 Purpose

This Policy reflects Tenaris’s values and considers the characteristics of the industry in which Tenaris operates. The Directors and CEO play a key role in setting forth the Company’s corporate strategy and are often faced with critical decisions that affect the present and future of the Company. This Policy seeks to:

- attract, motivate and retain individuals of high professional standing and experience;
- promote internal pay equity;
- incentivize long-term decision making;
- promote sustainability, efficiency and growth; and
- ensure maximum transparency.

By doing so, Tenaris seeks to continue encouraging long-term shareholder engagement.

2.2 Main Principles

The compensation payable to the Directors and the CEO is based on the following principles:

- Contribution to Tenaris’s business development and long-term interests and sustainability.
- Incentivizing and nurturing attitudes and behavior that reflect Tenaris’s core values, consistent with the excellence, professionalism, know-how, expertise and stability.
- Alignment with sustainable long-term financial, business development, industrial and operational objectives consistent with Tenaris’s strategy, taking into account the operating, environmental and market standards.
- Total compensation at a level that is competitive with peer industrial companies.
- Variable compensation components conditional to long-term targets and based on criteria that enhance long-term growth and sustainability.

3. Directors' Compensation

3.1 Duties and Responsibilities

Pursuant to the Company's articles of association, the Company is managed by a Board consisting of a minimum of three members and a maximum of fifteen members appointed by the general meeting. However, for so long as the shares of the Company are listed on a regulated market, the minimum number of directors shall be five. The terms of their office may not exceed one year. Members of the Board may be reappointed and dismissed at any time, with or without cause. The Board is required to meet as often as required by the interests of the Company and at least four times per year.

Management of the Company is vested in the Board with the broadest power to act on behalf of the Company and accomplish or authorize all acts and transactions of management and disposal that are within its corporate purpose and not specifically reserved in the Company's articles of association or by applicable law to the general shareholders' meeting.

Each director must act in the interests of the Company and in accordance with applicable laws, regulations and the Company's articles of association. Directors are also bound by a general duty of care owed to the Company. Under the Luxembourg law of 10th August 1915 on commercial companies, as amended (the "Companies Law"), directors are liable to the Company in accordance with general law for the execution of their mandate and for any misconduct in the management of the Company's affairs. Directors are jointly and severally liable towards either the Company or any third parties from damages resulting from the violation of the Companies Law or the Company's articles of association. Directors shall be discharged from such liability in the case of a violation to which they were not a party provided no misconduct is attributable to them and such violation has been reported to the first general meeting of shareholders after they have acquired knowledge thereof.

In addition, pursuant to the Company's articles of association, as supplemented by the audit committee's charter, for as long as the shares of the Company are listed on at least one regulated market, the Company must have an audit committee of the Board (the "Audit Committee") composed of at least three members, the majority of whom must qualify as independent directors (based on the independence criteria set forth in the articles of association), provided, however, that the composition and membership of the Audit Committee shall satisfy such requirements as are applicable to, and mandatory for, audit committees of issuers such as the Company under any law, rule or regulation applicable to the Company (including, without limitation, the applicable laws, rules and regulations of such regulated market or markets).

Certain directors also serve at the Audit Committee. The Audit Committee assists the Board in its oversight responsibilities relating to (i) the integrity of the Company's financial statements; (ii) the effectiveness of the Company's systems of internal control, risk management and internal audit over financial reporting; and (iii) the independence and performance of the Company's external auditors. The audit committee also performs other duties entrusted to it by the Board or required to be performed by it under applicable laws and regulations. In addition, the audit committee is required by the Company's articles of association to review material related-party transactions.

3.2 Qualification and experience

The Board must be composed of individuals who can make valuable contributions to the overall conduct of Tenaris's business. All directors must have broad-based business skills and experience in relevant areas critical to Tenaris's business. In addition, directors are expected to care for the long-

term interests of the Company and its shareholders and must have personal integrity and sound judgment.

In addition, at least one director who serves at the Audit Committee must be competent in accounting or auditing matters; and the Audit Committee as a whole must have sufficient relevant knowledge of the business and financial experience to properly discharge its functions.

3.3 Compensation

Directors shall receive a fixed compensation for the performance of their duties as members of the Board. In addition, members of the Audit Committee shall receive an additional fee for their duties within the Audit Committee. Because of his/her role, responsibilities and workload, the fee payable to the Audit Committee chairperson may be higher than that payable to the remaining Audit Committee members.

Compensation payable to directors shall be based on their qualifications and experience, and the Company shall ensure that a competitive compensation is paid to directors in order to attract and retain talented professionals with a long-term commitment to the Company.

Fixed compensation to directors must be paid in cash in one or more instalments.

Directors' compensation is generally not dependent on the Company's financial results. Consistent with their role and responsibilities, directors are not eligible for variable compensation for their membership of the Board or the Audit Committee.

3.4 Approval

Directors' compensation shall be approved by the annual general meeting of shareholders.

3.5 Disclosure

Directors' compensation shall be disclosed in the Company's annual Compensation Report prepared in compliance with the Shareholders' Rights Law, and the Compensation Report shall be submitted to the non-binding vote of the shareholders at each general meeting of shareholders of the Company. In addition, directors' compensation shall be disclosed in accordance with applicable rules and regulations, including in the Company's annual report prepared in accordance with Luxembourg law, the annual report on Form 20-F filed with the U.S. Securities and Exchange Commission and the Form N filed with the Mexican *Comisión Nacional Bancaria de Valores*.

3.6 Terms of Engagement

The Company is not required to enter into, and has not entered into, written engagement agreements with its directors, and their term of appointment, duties and responsibilities and compensation are governed by applicable Luxembourg law and the Company's articles of association.

4. CEO Compensation

4.1 Duties and Responsibilities

On a yearly basis, the Board delegates in the CEO (*administrateur délégué*) 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. The CEO shall manage the Company's business with the due care of a prudent and conscious businessman.

The CEO shall report to the Board.

Under the Companies Law, the CEO shall be liable to the Company in accordance with general law for the execution of his/her mandate and for any misconduct in the management of the Company's affairs. The CEO shall also be liable towards either the Company or any third parties from damages resulting from the violation of the Companies Law or the Company's articles of association. The CEO shall be discharged from such liability in the case of a violation to which the CEO was not a party if no misconduct is attributable to him/her and such violation has been reported to the Board after he/she has acquired knowledge thereof.

4.2 Qualification and experience

The CEO must have vision and organizational strategy. Driven by the mandate of the Board, shareholders and other stakeholders, the CEO must show a clear understanding of Tenaris's business and industry to generate value, opportunities and trends in the market. The CEO must be an effective leader with a strong foundational character and sense of integrity, able to communicate clearly and consistently and prepared to embrace change effectively managing risk.

4.3 Compensation

The Company is not required to have, and does not have, a compensation committee. Accordingly, the CEO's compensation is assessed and proposed by the Board.

4.3.1 Base Compensation

The CEO shall receive a base compensation for the performance of his/her duties as chief executive officer (*administrateur délégué*) of the Company. The purpose of the base compensation is to attract and retain a highly qualified individual as CEO.

The base compensation shall be a fixed amount determined by the Board on an annual basis based on the CEO's qualification and experience. In addition, the CEO's base compensation shall be consistent with market standards and practices and shall take into account compensation payable by peer industrial companies to individuals with similar roles and responsibilities.

4.3.2 Variable Compensation

In addition to his/her basis compensation, the CEO may also receive variable compensation. The purpose of this variable component is to promote the long-term development of Tenaris's business, to preserve the strength of its balance sheet, to improve the commitment and loyalty of shareholders, customers, suppliers and employees to the Company, and to reward the creation of sustainable value.

In order to determine the CEO's variable compensation, the Board shall annually assess:

- the CEO's personal contribution to the development of the Company's business and achievement of the corporate strategy, and
- the competitive landscape in the industry and the market.

In reviewing performance, the Board shall take into consideration historical performance, achievements, and industry and market developments.

The annual variable compensation must be paid in cash in one or more instalments.

4.4 Approval

The CEO's base compensation, any variable compensation and, eventually, any other applicable compensation must be approved by the Board and included in the annual Compensation Report to be submitted to the annual general meeting of shareholders.

4.5 Disclosure

The CEO's compensation shall be disclosed in the Company's annual Compensation Report prepared in compliance with the Shareholders' Rights Law, and the Compensation Report shall be submitted to the non-binding vote of the shareholders at each general meeting of shareholders of the Company. In addition, compensation payable to the Company's senior management shall be disclosed in accordance with applicable rules and regulations, including in the Company's annual report prepared in accordance with Luxembourg law, the annual report on Form 20-F filed with the U.S. Securities and Exchange Commission, and the Form N filed with the Mexican *Comisión Nacional Bancaria de Valores*.

4.6 Terms of Engagement

Upon his/her appointment, the Company shall enter into an engagement agreement with the CEO, setting forth, among other, the CEO's tasks and responsibility and the term of the engagement. The engagement agreement will set forth the CEO's base compensation (as determined by the Board), payment terms, and conditions for reimbursement of expenses.

The CEO will be bound by confidentiality obligations and will be subject to non-compete duties providing that the CEO may not provide services to third parties that would be reasonably expected to be detrimental to the Company's best interests, nor hold interests in other companies that are in competition with the Company or its affiliates (except for shareholdings for investment purposes which do not give influence on the corporate bodies' decisions).

The CEO will be required to comply with the general standards and principles of the Company's Code of Conduct and Business Conduct Policy, as well as all applicable anti-corruption and record-keeping laws applicable in the countries where his/her services are rendered, including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and the OECD Convention for Combating Bribery of Foreign Public Officials in International Business Transactions.

5. Benchmarking

Tenaris shall ensure that compensation payable to its directors and the CEO is competitive with peer companies and at the same time is consistent with Tenaris's overall strategic objectives. Accordingly, the Company shall periodically review compensation packages adopted by comparable companies in terms of industry, size and complexity of business and operations. In addition, Tenaris shall from time to time engage a reputable independent compensation consultant to provide benchmarking analyses, advise on compensation trends and other matters and make recommendations to the Company.

6. Indemnification

Pursuant to the Company's articles of association, the Company will, to the fullest extent permitted by Luxembourg law, indemnify any director or officer (including the CEO) as well as any former director or officer (including the CEO), against all costs, charges and expenses, reasonably incurred by him/her in connection with the defense or settlement of any civil, criminal or administrative action, suit or proceeding to which he may be made a party by reason of his/her being or having been a director or officer of the Company, if (i) he/she acted honestly and in good faith, and (ii) in the case of criminal or

administrative proceedings, he/she had reasonable grounds for believing that his/her conduct was lawful. Notwithstanding the foregoing, the current or former director or officer will not be entitled to indemnification in case of an action, suit or proceeding brought against him/her by the Company or in case he/she shall be finally adjudged in an action, suit or proceeding to be liable for gross negligence, willful misconduct, fraud, dishonesty or any other criminal offence. Furthermore, in case of settlement, the current or former director or officer will only be entitled to indemnification hereunder, if he/she settles such action, suit or proceeding in good faith and in a manner he/she reasonably believes to be in or not opposed to the best interests of the Company and if notice of the intention of settlement of such action, suit or proceeding is given to the Company at least ten business days prior to such settlement

7. Deviation in case of exceptional circumstances

In case of exceptional circumstances, the Company may temporarily deviate from any provision of this Policy. Such deviation shall last at the latest until a new Policy has been adopted. In order to deviate from this Policy, the Board must establish that exceptional circumstances (which shall cover only situations in which the derogation from the Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability) require a deviation from this Policy. In case of a deviation from this Policy in exceptional circumstances, such a deviation will be disclosed in the compensation report of the Company, which will be included in the Company's annual accounts, and such disclosure shall include (i) an explanation of the nature of the exceptional circumstances and (ii) the specific part(s) where the Company deviates from this Policy.

8. Policy Approval and Transition

This Policy has been approved by the Board on 29th April 2020 and, in accordance with the Shareholders' Rights Law, the Policy 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 2nd June 2020. In the event that the shareholders' meeting rejects the Policy, a revised Policy would be resubmitted at the 2021 general meeting of shareholders.

In the event of a material amendment to the Policy, the revised Policy will be submitted to the non-binding vote of the shareholders at the next shareholders meeting. In any event, the Policy will be submitted to the general shareholders meeting every four years, to the extent required by Luxembourg law.