



# GENERAL MEETING

May 23, 2024

# INTRODUCTION

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Philippe Guillemot

Chairman of the Board of Directors & Chief Executive Officer

# OUR VALUE CREATION MODEL

A trustworthy partner

For cutting edge steel solutions

That makes energy transformation a reality

**Respect of People and Environment**

- « Make it Safe, Make it Home »
- 0.2 TRIR ambition (2.35 in 2023)
- + 15,000 employees
- €30m employee profit sharing
- 90% Low-carbon electricity
- 97.6% of water recycled
- 56% of steel used from recycled scrap
- Female executives: 26% in 2023 → 30% in 2026

**Prioritize ESG within our core values**

Long term commitment to sustainability with verified results since 2010

**MSCI ESG** In 2023

**Ethics & Compliance**

- Compliance Committees
- Anti-corruption Code of Conduct
- Code of Ethics

73% of our Spend done with Suppliers assessed by external ESG agency

€2.3m allocated to actions benefitting local communities

Industrial excellence to deliver solutions which achieve highest quality and safest performances

1,552 kTons Tubes shipped whatever the applications and conditions

**Manage the full internal and external supply chain**

In over 20 countries

35 production units

Iron Ore Mine

165,000 hectares of forest<sup>®</sup>

**Increase profitability and be cycle-proof**

€5.1bn in revenue

€1.2bn EBITDA

Objective end of 2025 : Net debt zero

**State-of-the-art Research & Development**

We believe our collaboration with a network of universities and start-ups, provide innovative and cutting edge solutions for our customers

**ONE R&D**

3 Research & test centers

280 Technicians and Engineers

4,221 Patents

**Service solutions along the entire value chain**

Iron Ore

Hydrocarbon exploration & production

New Energies

**Provide mission critical tubes and connections**

Tubes and threaded connections used for over 35 years and now qualified for New Energies requirements

150 VAM licensees worldwide

**Answers whenever and wherever needed**

Technical support

+200 field services worldwide 24/7

**Innovations along our value stream**

High quality biomass charcoal based on methane-free<sup>®</sup> production

Additive manufacturing solutions to ensure highly complex on-demand low carbon with short lead times

**Innovative global solutions tailored to the energy challenges of the 21st century**

**Products**

Service Solutions

**Developed new tubular solutions business to meet the challenges of the energy transition**

**Vallourec New Energies is our portfolio of solutions for low-carbon energy markets**

**We set the standards for seamless tubular solutions in New Energies Markets**

High temperature geothermal

Containing Hydrogen without leaks

Aggressive environment of contaminated CO<sub>2</sub>

**Our own decarbonization journey**

CO<sub>2</sub> emissions

1,796 tCO<sub>2</sub>e per ton of tubes produced in 2023 (average for 2023)

-25% reduction in the Group's CO<sub>2</sub>e Emissions<sup>18</sup> by 2025 compared to 2017

Validated by SBTi compatible with limiting global warming to well below 2°C

**Science Based Targets**

**Climate Challenge**

CO<sub>2</sub>e intensity<sup>19</sup> compared to 2021

-30% by 2030 → -35% by 2035

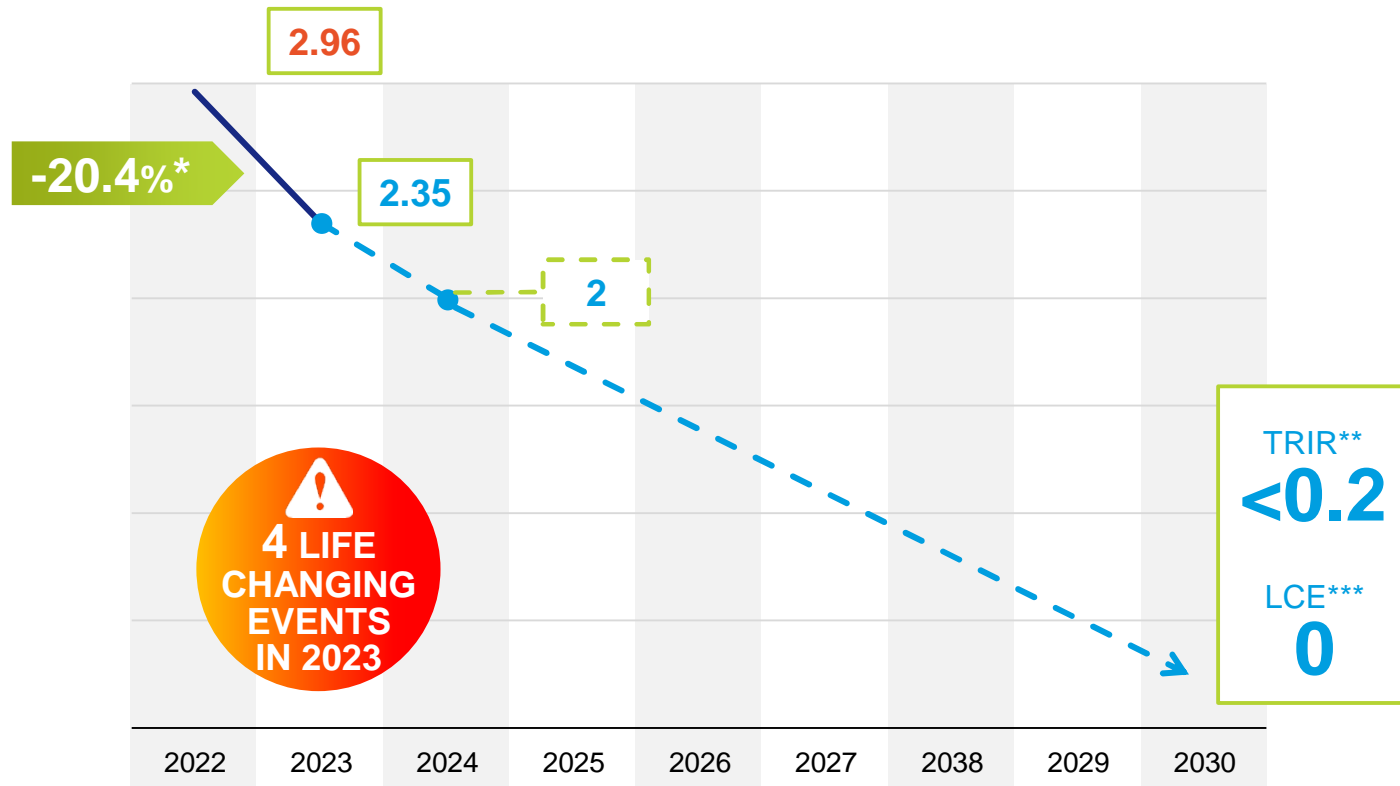
“

We believe our legacy, since the 19<sup>th</sup> century, is the best asset to make the impossible possible, all the way to hydrogen storage and beyond

”

# HEALTH & SAFETY, AN ABSOLUTE PRIORITY

## SIGNIFICANT PROGRESS IN 2023



\*Percentage reduction in accidents with and without lost time between 2022 and 2023 after reclassification of accidents in Brazil

\*\*Total Recordable Incident Rate

\*\*\* Life Changing Event .



## Our ambition

# Become best in class



## Health & Safety Vallourec Policy

Respect for women and men is at the heart of Vallourec's values and our duty, and the foundation of our ambition for sustainable growth. This respect begins with Health and Safety that requires, integrity, transparency, high standards, and professionalism.

That is why Vallourec is committed to rolling out the highest Health and Safety standards across our operations and providing a safe and healthy working environment and ensuring physical and mental well-being for all.

*No task is so urgent we cannot take the time to perform our work safely.*

The preservation of the Health and Safety of our employees and everyone who works for Vallourec is at the core of our commitment and our absolute highest priority in everything we do. Beyond that, Health and Safety is a strong lever for our continuous improvement approach and directly contributes to our overall performance and build up excellence.

That is why we are fully determined to become world best in class in health and safety and to achieve our 2030 objectives:

- ZERO LIFE CHANGING EVENT
- TRIR\* < 0.2
- ZERO OCCUPATIONAL DISEASE

We all share this responsibility and every manager is accountable to make Health and Safety a prerequisite for any activity to achieve these objectives by:

- Leading a continuous risk reduction approach based on respect for regulations and our Vallourec standards and best practices, in order to provide intrinsically safe work installation.
- Leading by example with a visible commitment on the shop floor to ensure the flawless application of the rules.
- Fostering a Health and Safety culture, by strengthening everyone's skills, raising awareness, and by developing vigilance for oneself and others.
- Developing employee commitment and participation, by defining roles and responsibilities with clear objectives, in order to achieve systematic immediate action to correct any unsafe situation at work and in everyday life.

Working safe is the most important decision we make. Looking out for each other is the best way to get back to those we care about. Together we're safer!

It is through this excellence in Health and Safety that we will build a stronger and sustainable new Vallourec. I count on your commitment under all circumstances.

Philippe Guillemot 

\*TRIR: Total Recordable Injury Rate

# CAP 2030

Health & Safety  
Roadmap 2030

## OBJECTIVE OF

Zero  
Life Changing  
Events  
& TRIR  $<0.2$

*TRIR : Total Recordable Injury Rate*

Zero  
Occupational  
Disease



# 3 pillars of the roadmap

## CAP 2030

OBJECTIVE OF

**ZERO**  
life changing  
events  
& TRIR <0.2

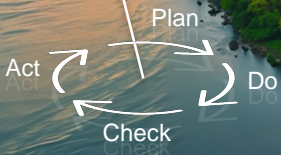
TRIR:  
*Total Recordable Injury Rate*

**ZERO**  
occupational  
disease

### 2

**HEALTH & SAFETY  
MANAGEMENT  
SYSTEM**

**Risk reduction**



### 1

**LEADERSHIP**

**Visible managerial  
commitment**

### 3

**HEALTH & SAFETY  
CULTURE**

**Autonomous  
interdependent**

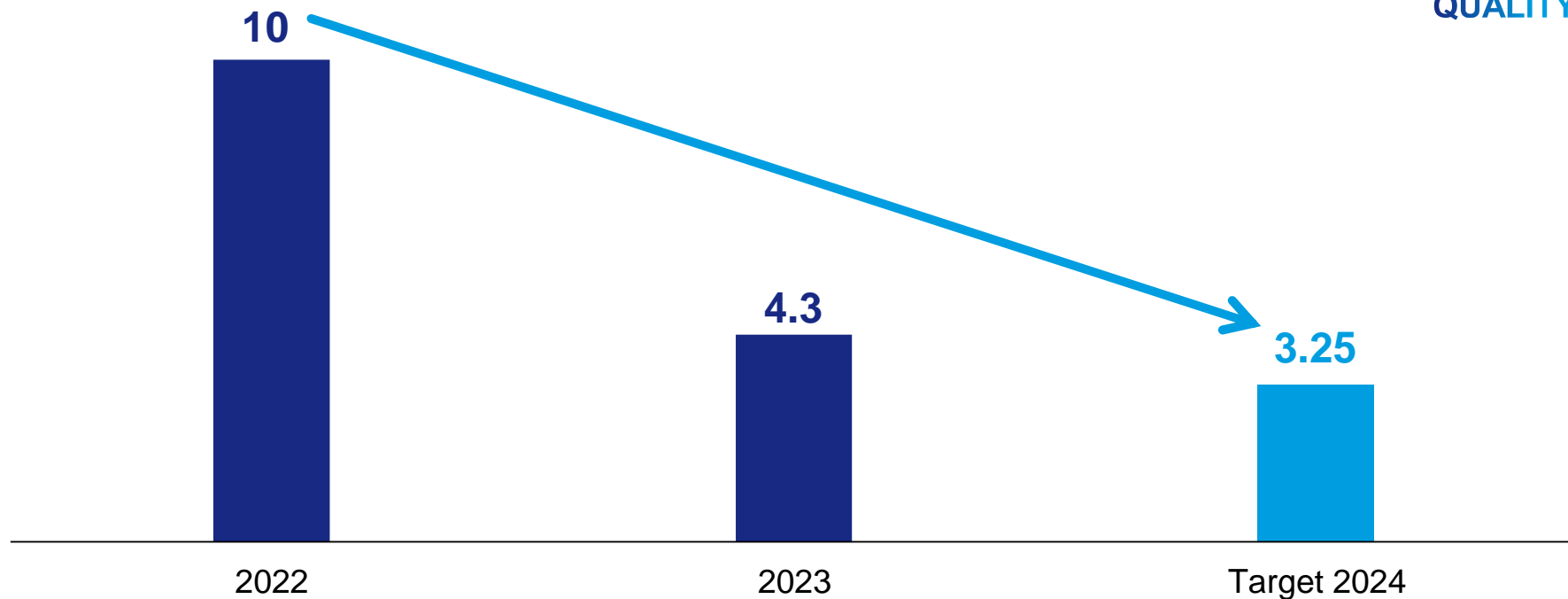




## HEALTH & SAFETY CAMPAIGN



## EXTERNAL CLAIMS\*



# STRONG ESG GOVERNANCE TO DRIVE THE GROUP'S EXTRA-FINANCIAL PERFORMANCE



Board of Directors Committees

Environment

Social/Societal

Governance



# CSR: THE TANGIBLE RESULTS OF A LONG-TERM COMMITMENT



## SOCIAL & SOCIETAL

24% ➔ 26%

of female executives  
2023 vs. 2022

47%

of employees subscribed to the “Vallourec Invest”  
employee shareholding offering\*.

## HEALTH & SAFETY

-20.4%

reduction in accidents with and without stoppages (TRIR) from 2022 to 2023

## RESOURCES EMPLOYED

87% ➔ 90%

of the electricity consumed  
from low-carbon 2023 vs. 2022  
(renewable and nuclear)

97.3% ➔ 97.6%

of our waste recovered  
2023 vs. 2022

53% ➔ 56%

of steel used from  
recycled scrap  
2023 vs. 2022

## ENVIRONMENT

1,400

revegetated hectares  
returned to nature  
in Brazil

40%

of the Brazilian  
forest preserved in its natural  
state with corridors of  
circulation for wild animals

9% ➔ 11%

of our water  
requirements supplied  
by rainwater  
2023 vs. 2022

## RESPONSIBLE PURCHASING

73%

of spending with suppliers  
whose CSR performance  
has been assessed

## CERTIFICATIONS

100%

of sites certified  
ISO 14001

## ENERGY



38%

of energy consumed  
from renewable sources

\* Vallourec Invest 2023: eligible employees in France, Brazil and the United States.



# COMMITTED TO OUR OWN DECARBONIZATION JOURNEY



## CO<sub>2</sub> EMISSIONS REDUCTION TARGETS

**2025**  
**-25%\***



**ACHIEVED  
EARLY**

CO<sub>2</sub>e emissions



SCIENCE  
BASED  
TARGETS

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**2030**  
**-30%\*\***

**1.4\*\*\***

tonnes of CO<sub>2</sub>e /  
tonne of tubes sold

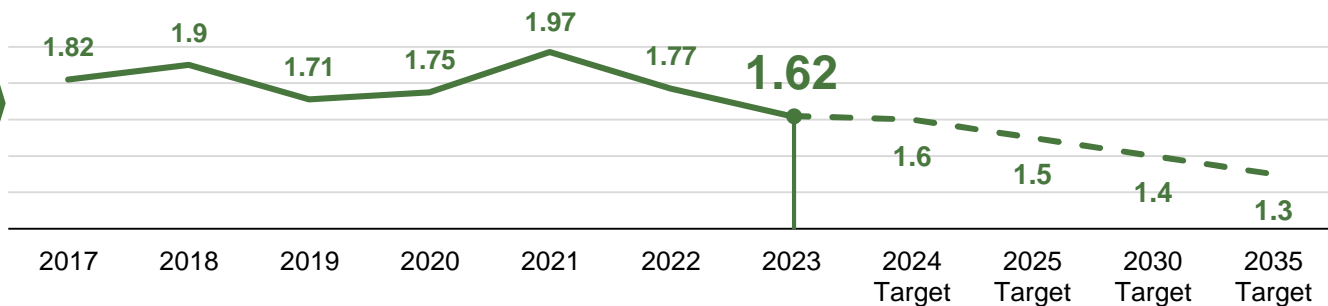
**2035**  
**-35%\*\***

**1.3\*\*\***

tonnes of CO<sub>2</sub>e /  
tonne of tubes sold

## REDUCING OUR GREENHOUSE GAS EMISSIONS

13 CLIMATE  
ACTION



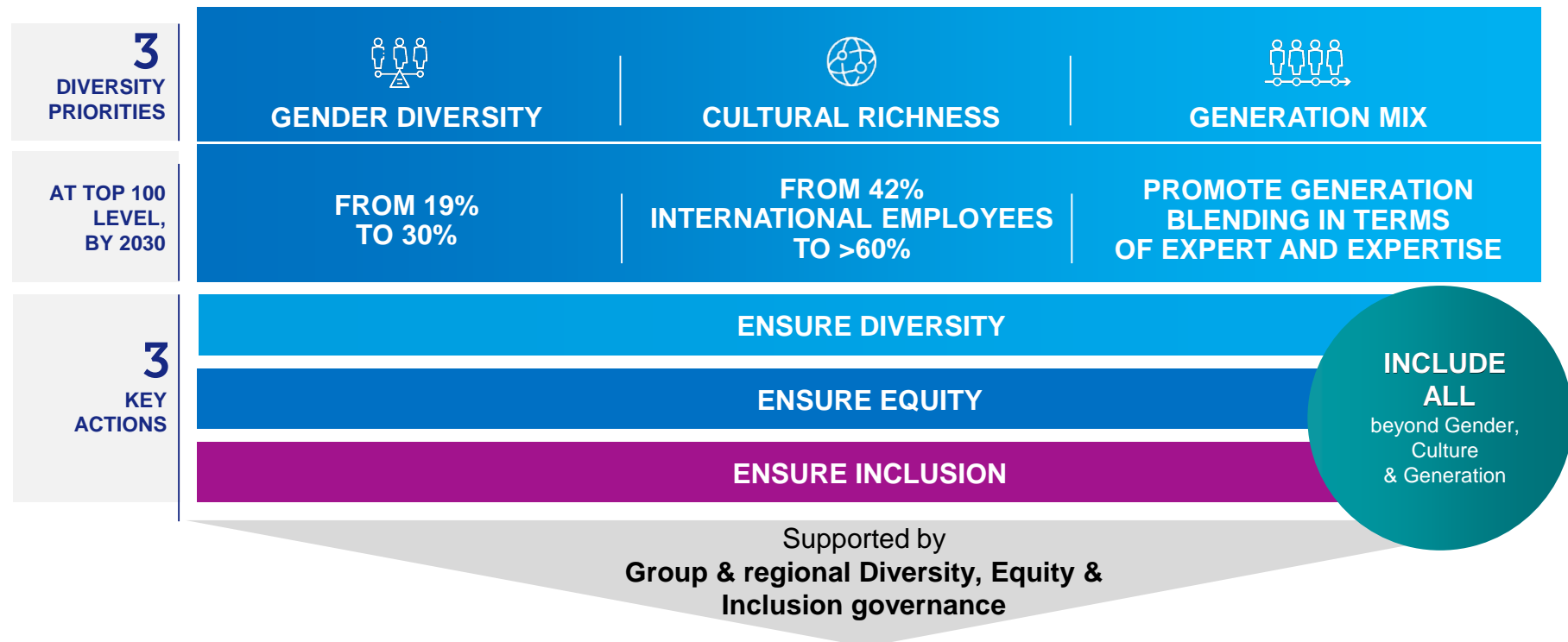
**DIRECT EMISSIONS (SCOPE 1) + INDIRECT (SCOPES 2 AND 3 UPSTREAM)  
IN TONS OF CO<sub>2</sub>e / TONS OF TUBES SHIPPED**

\* Scope 1, 2 & 3 vs. 2017

\*\* Scope 1, 2 & 3 Upstream vs. 2021

\*\*\* Compared to 1.97 tonne of CO<sub>2</sub>e in 2021

# COMMITTED TO A DIVERSITY, EQUITY AND INCLUSION PROGRAM: "WE ARE VALLOUREC"



# RECOGNIZED BY THE TOP NON-FINANCIAL RATING AGENCIES

## CSR RATINGS



Only steelmaker to complete all 3 CDP questionnaires



## STRONG COMMITMENTS SINCE 2010



# FULL-YEAR 2023 RESULTS

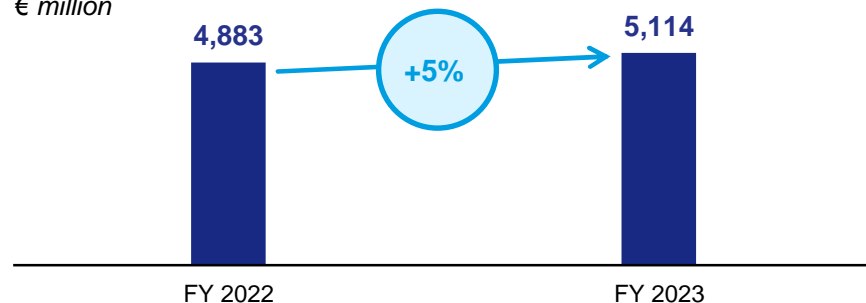
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Sascha Bibert  
Chief Financial Officer

# 2023 KEY FIGURES

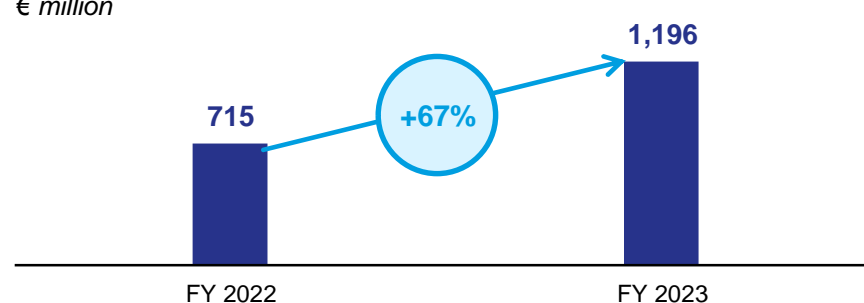
## REVENUES

€ million



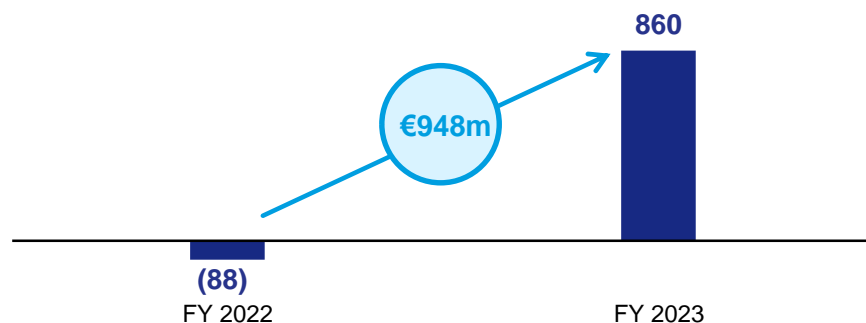
## EBITDA

€ million



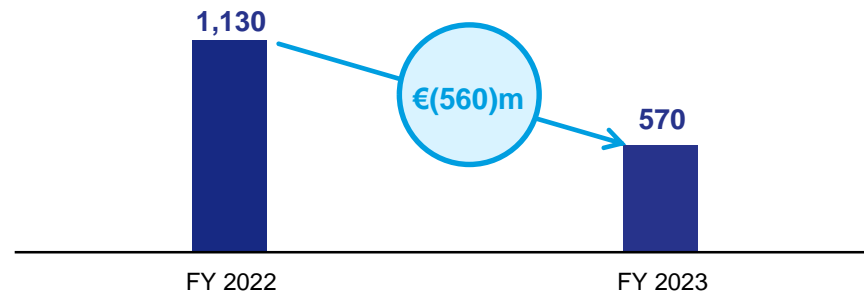
## ADJUSTED FREE CASH FLOW

€ million



## NET DEBT

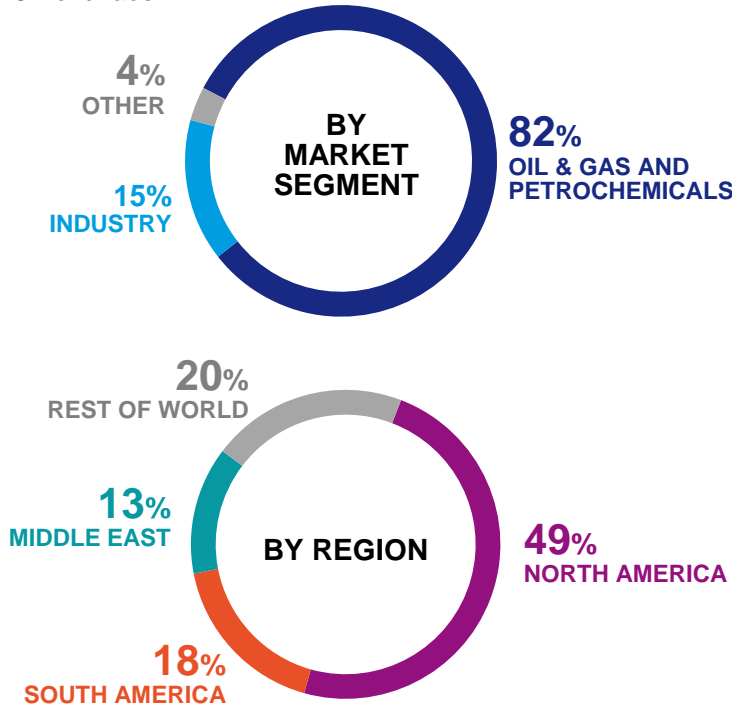
€ million



# 2023 SEGMENT OVERVIEW

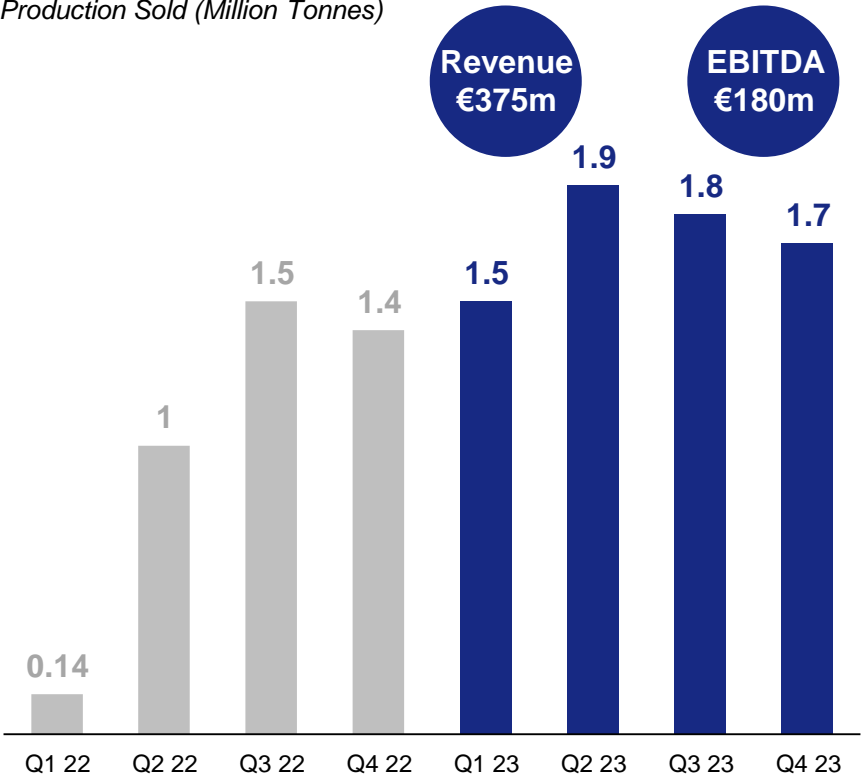
## TUBES SEGMENT

FY 2023 Revenues



## MINE & FOREST SEGMENT

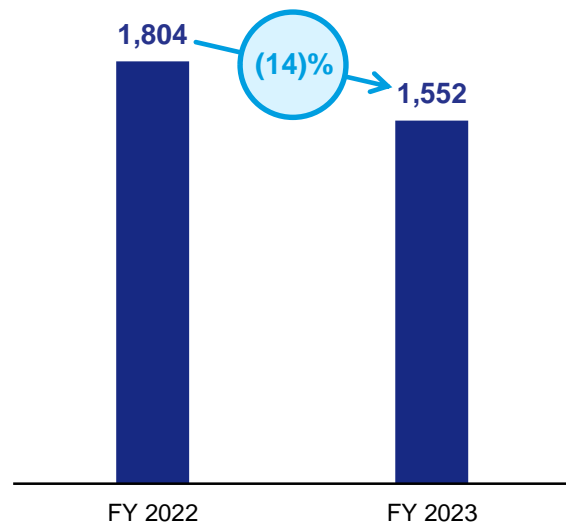
Production Sold (Million Tonnes)



# TUBES PRODUCTION AND REVENUES DETAILS

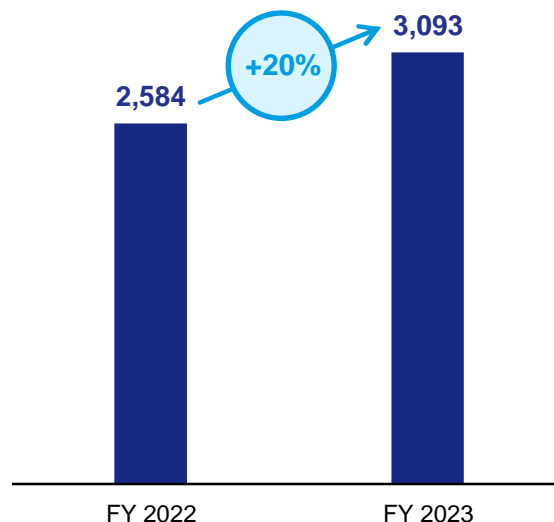
## VOLUME SOLD

Thousand Tonnes



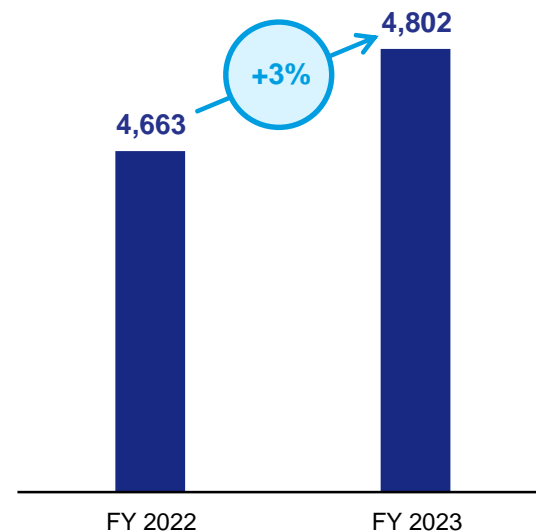
## AVERAGE SELLING PRICE

€ / Tonne



## REVENUES

€ Million

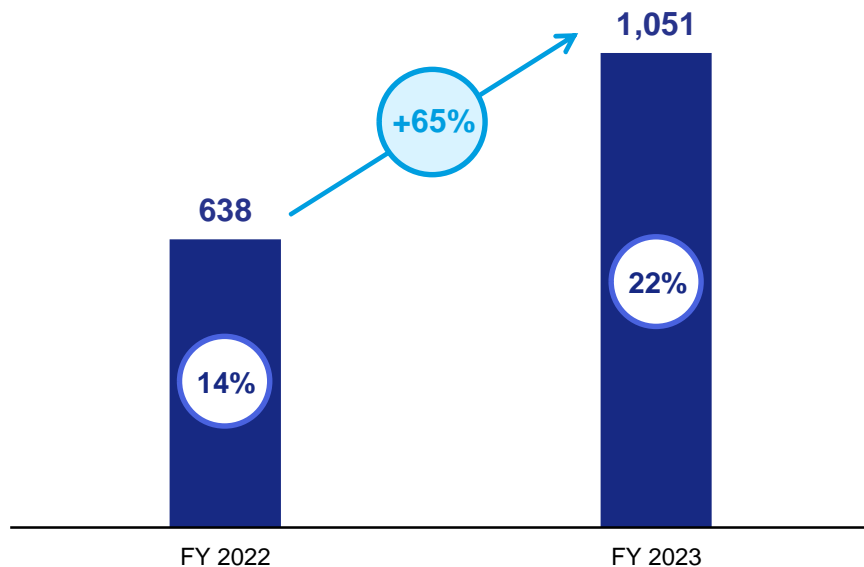




# STRONG TUBES PROFITABILITY

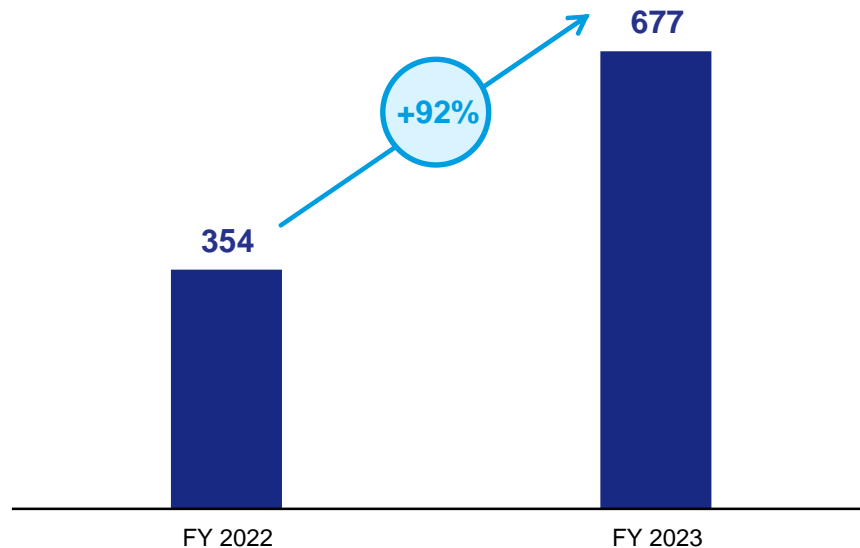
## EBITDA AND EBITDA MARGIN IN 2023

€ Million and % of Revenues



## EBITDA PER TONNE

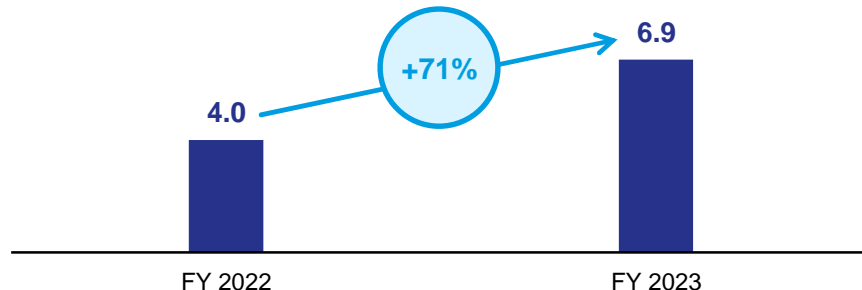
€ / Tonne



# MINE & FOREST PERFORMANCE

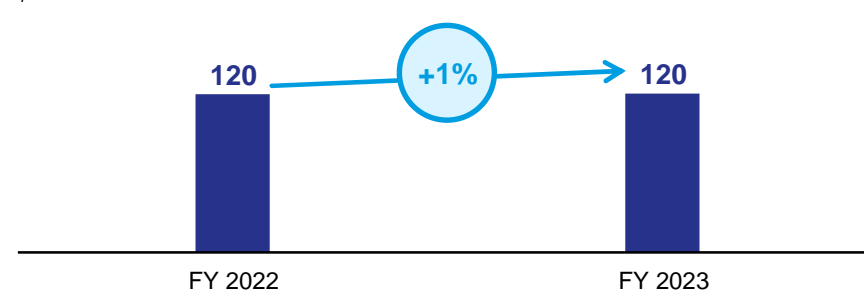
## PRODUCTION SOLD

Million Tonnes



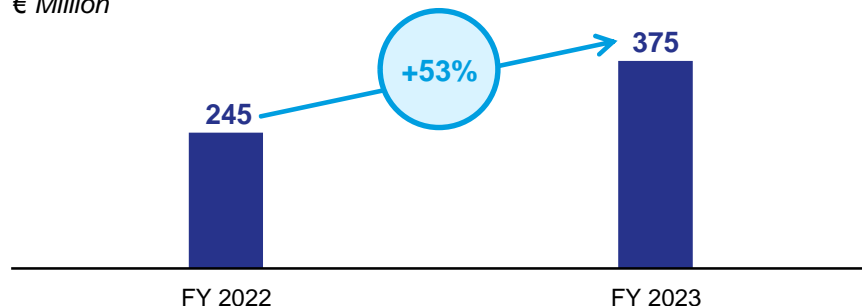
## AVERAGE IRON ORE MARKET PRICE\*

\$ / Tonne



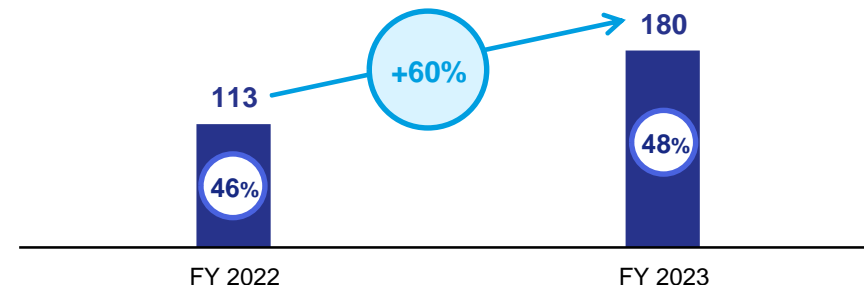
## REVENUES

€ Million



## EBITDA

€ Million and % of Revenues

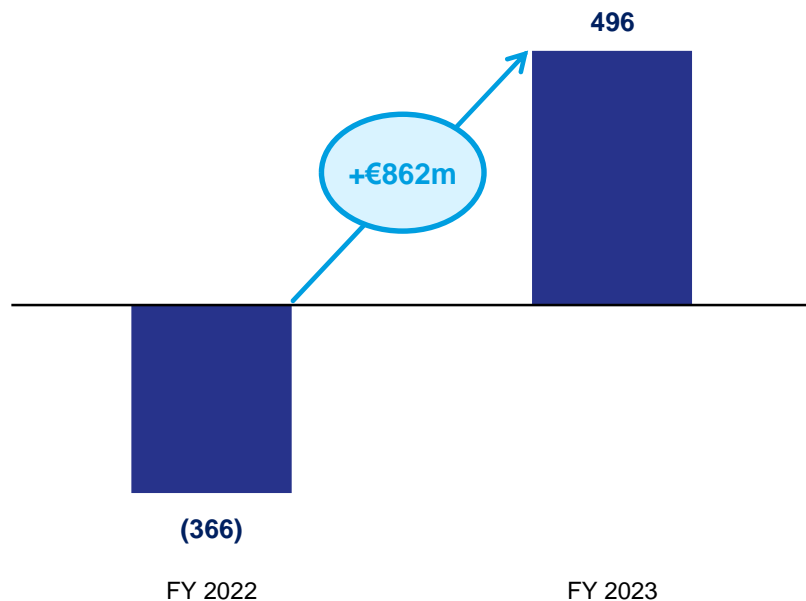


\* Market price refers to Platts 62% Fe CFR China Index.

# FULL YEAR 2023 GROUP NET INCOME ANALYSIS

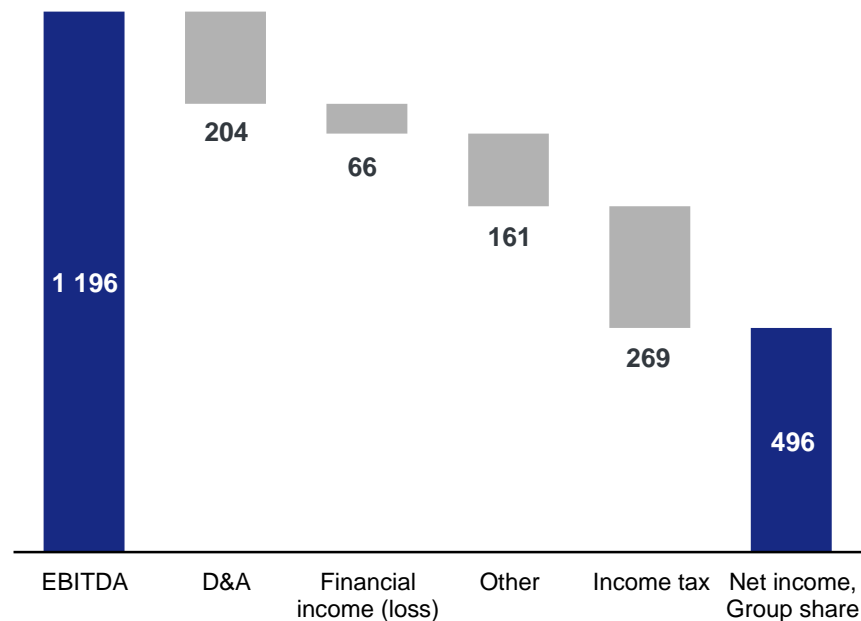
## NET INCOME

€ Million



## EBITDA TO NET INCOME BRIDGE

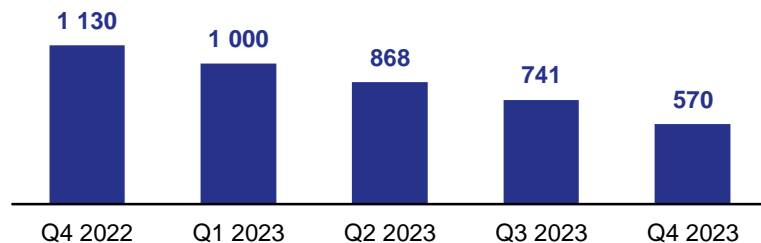
€ Million



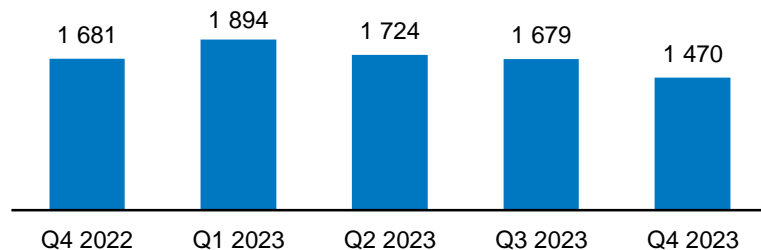
# DEBT AND LIQUIDITY

## DEBT

Net Debt (€ Million)

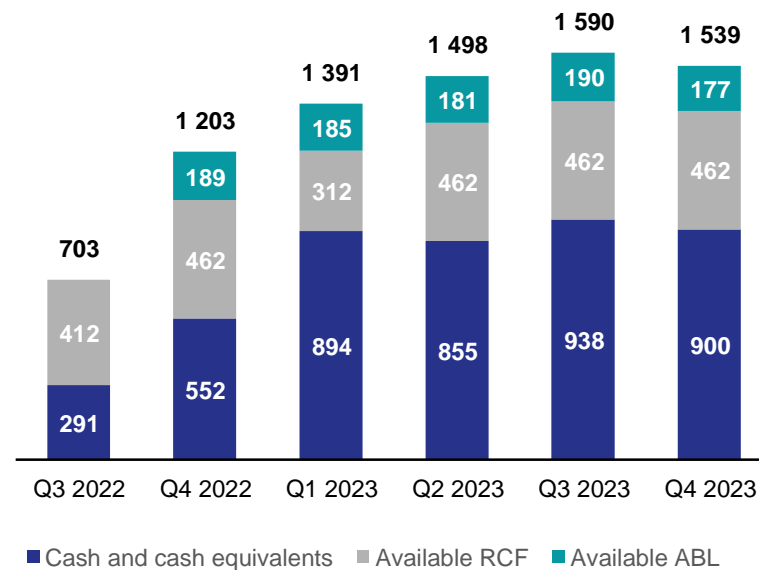


Gross Debt (€ Million)



## LIQUIDITY

€ Million



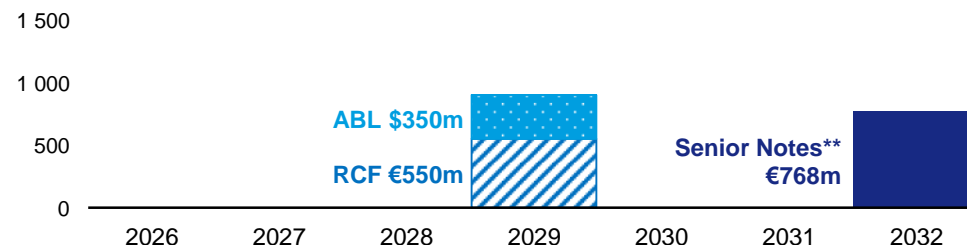
# A STRENGTHENED FINANCIAL POSITION FOLLOWING OUR BALANCE SHEET REFINANCING



## BEFORE REFINANCING



## POST REFINANCING



## KEY BENEFITS

### Reduced Cost

€30-35m net benefit per year\*\*\*

### Extended Maturities

5-year term on RCF and ABL  
8-year term on senior notes

### Diversified Lenders

Broad, globally-diversified RCF and ABL lending group

### Agency Recognition

Favorable credit ratings with all three major rating agencies

\* Repayment of €68 million of the €262 million PGE during the transaction and repayment of the remaining amount by December 31, 2024..

\*\* Issuance of 8-year senior notes at 7.5% p.a. for a total of \$820 million - Cross-currency swap to hedge our foreign exchange exposure with an effective euro-equivalent interest rate of 5.8% ; assuming a euro/US dollar FX rate of ~1.07.

\*\*\* Net benefit calculated on full year basis as net of lower cost of debt partially offset by loss of investment return potential of cash assumed at 3.5%.

# WELCOME TO THE NEW VALLOUREC!

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Philippe Guillemot

Chairman of the Board of Directors & Chief Executive Officer

# KEY OBJECTIVES OF THE NEW VALLOUREC PLAN



## PRIMARY STRATEGIC GOALS



**Deliver  
Best-in-Class  
Profitability**



**Make  
Vallourec  
Crisis-Proof**



## FINANCIAL TARGETS



**€230m EBITDA / €250m FCF Improvement\***



**Close Profitability Gap with Primary Peers**



**Positive Free Cash Flow in Case of a Crisis\*\***



**Zero Net Debt by Year-End 2025 at the Latest**

*\* Measured versus 2021 baseline, consistent with New Vallourec plan announced in May 2022. FCF is aligned with prior definition of free cash flow.*

*\*\* FCF is aligned with prior definition of free cash flow. " Target excludes the impact of working capital.*



# THE NEW VALLOUREC PLAN



1

## OPTIMIZATION OF THE INDUSTRIAL FOOTPRINT

- ✓ **Closure of German sites**
- ✓ **Expansion of the product range produced in Brazil and China**
- ✓ **Structural inventory reduction initiatives**

2

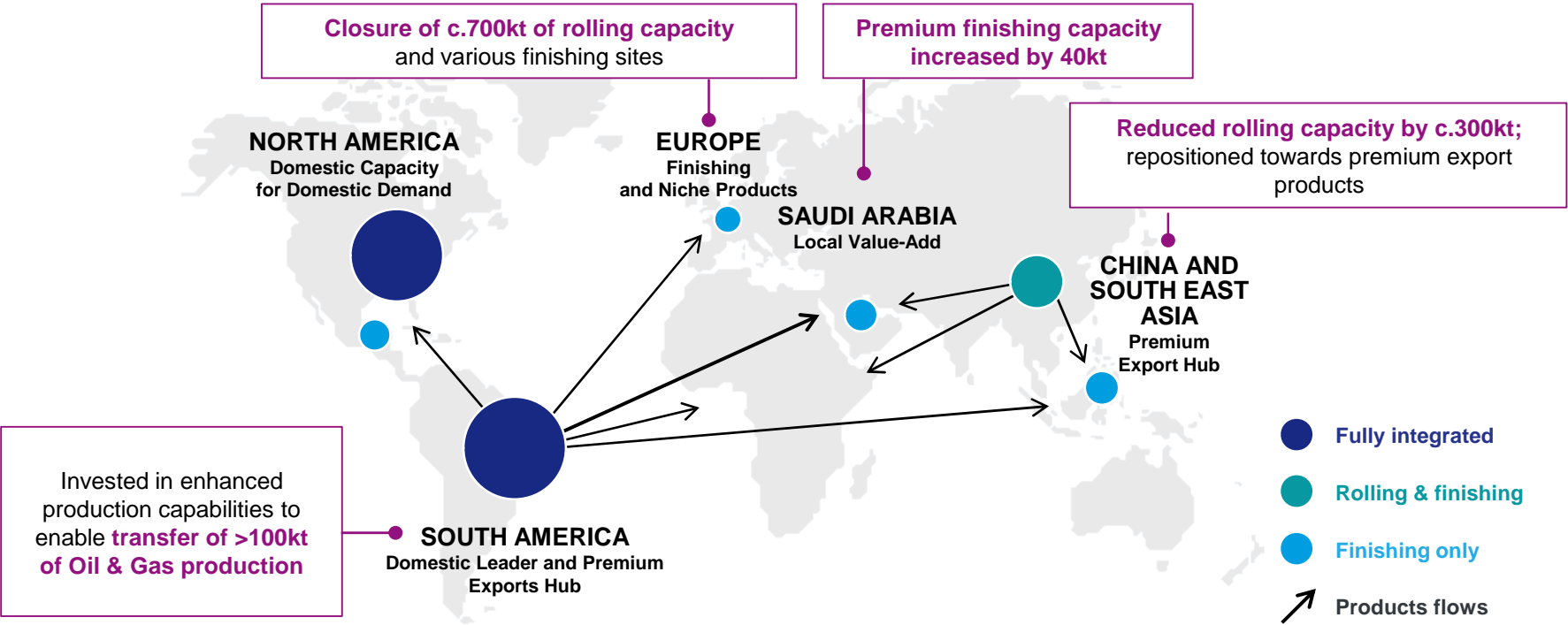
## STREAMLINING OF SG&A

- ✓ **Implementation of a new organization for central functions and Eastern Hemisphere**
- ✓ **A Human Resources policy to strengthen our performance culture**
- ✓ **A significant reduction of SG&A**

**Execution of the New Vallourec plan finalized according to the program defined in May 2022, to generate c.€230m recurring EBITDA uplift per year from 2025 onwards**

# INDUSTRIAL FOOTPRINT IN 2024

## CHANGES RESULTING FROM THE NEW VALLOUREC PLAN



Note : Product flow arrows represent finished product sales, but do not account for intermediate flows to local finishing capacity. Aulnoye Forge not included as "rolling & finishing" in diagram.

# STRONG SALES DYNAMICS IN 2023 AND EARLY 2024



OCTG



LINEPIPE



NEW ENERGIES

## NORTH AMERICA



BP

3-year LTA for the supply of OCTG solutions



LLOG EXPLORATION

Multiple orders



SAULSBURY

Tube order – CCS project in Wyoming



FERVO

Tube order – geothermal project

## SOUTH AMERICA



EXXONMOBIL

4<sup>th</sup> major order – Whiptail project in Guyana



PETROBRAS

2 major orders – Buzios field development phases 6 and 8 – Campos pre-salt basin



PETROBRAS

3-year LTA for the supply of OCTG tubes, associated accessories and services

## EUROPE



H<sub>2</sub>V

MOU – hydrogen storage



NEXTCHEM

MOU – hydrogen storage



WINTERSHALL DEA

Order for the supply of premium OCTG solutions - Davlin North project in the North Sea



EAVOR

Supply of solutions – Geretsried geothermal project



WINTERSHALL DEA

Tube order – CCUS Luna project

## MIDDLE EAST / ASIA



SAUDI ARAMCO

Major orders for premium tubes added to current 10-year long-term agreement



TOTALENERGIES

Contract to supply OCTG tubes and associated accessories – 1<sup>st</sup> phase of the multi-energy Gas Growth Integrated Project in Iraq

# DIVERSIFICATION STRATEGY TO ENSURE VALLOUREC'S LONG TERM FUTURE



 <b>PILLARS</b>	<b>MINE</b>	<b>NON-O&amp;G TUBULARS</b>	<b>DELPHY</b>
 <b>GROWTH DRIVERS</b>	Additional volumes and improved quality of iron ore	Industry in Brazil and additional markets in New Energies	A new market and a new business model for hydrogen storage
 <b>ORGANIZATIONAL DECISIONS</b>	Strategic Capex program	New organization to leverage our operational, industrial and commercial expertise	Teams report directly to the CEO to be at the heart of Group strategy

**A reinforced organization to support our diversification initiatives**

# STRONG MOMENTUM FOR THE NEW ENERGY SEGMENT

## IN 2023



New high-margin contracts for tubular solutions in New Energies



Significant demand for geothermal energy and carbon sequestration



Inauguration of our Delphy hydrogen storage solution



**Deployment of first commercial system targeted for 2025**





# 2024 OUTLOOK

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Philippe Guillemot

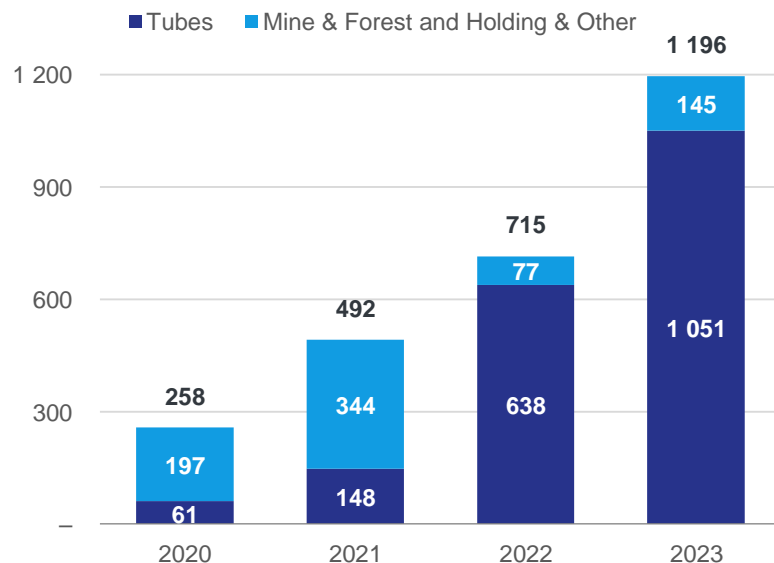
Chairman of the Board of Directors & Chief Executive Officer



# STRONG PERFORMANCE IN 2023

## GROUP EBITDA<sup>1</sup>

€ Millions

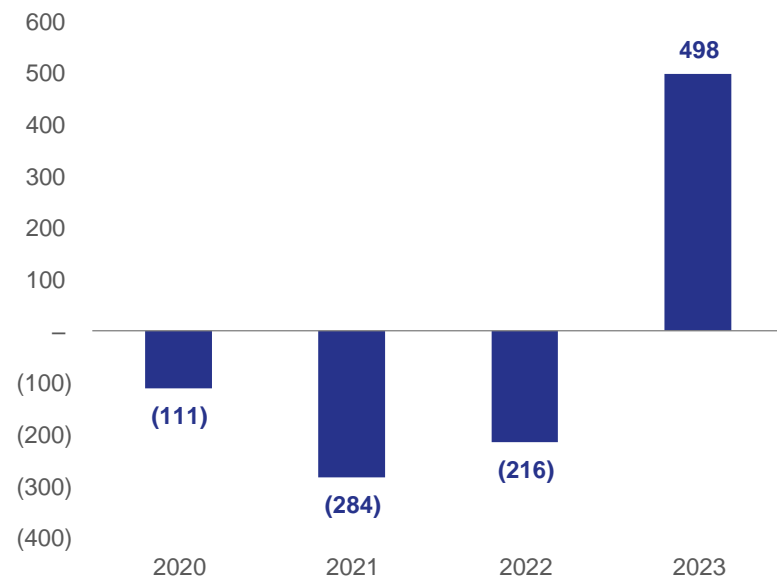


<sup>1</sup> Tubes EBITDA in 2020 is estimated and should not be considered as an audited financial figure

<sup>2</sup> Refers to free cash flow, as previously defined, to enable comparability versus historical figures

## GROUP FREE CASH FLOW<sup>2</sup>

€ Millions



# FULL YEAR 2024 OUTLOOK

FULL YEAR 2024	
Tubes	Strong international market environment to persist with results benefiting from strong pricing already in backlog
Mine & Forest	Production sold to be approximately 6m tonnes
Group EBITDA	Group EBITDA margin to remain strong due to robust international Tubes pricing and continued operational improvement
Total Cash Generation & Net Debt	Total cash generation to be positive and net debt to meaningfully decline versus the Q1 2024 level*

*\*In all cases, total cash generation and net debt guidance excludes the potential positive impact of major asset sales.*

# KEY TAKEAWAYS

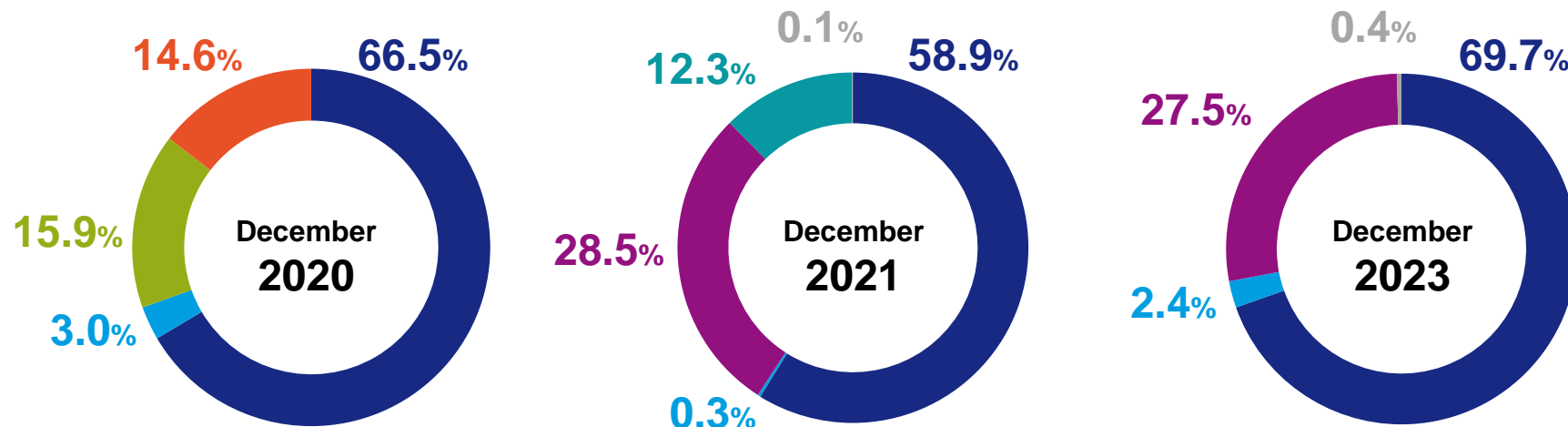
**1** Our successful balance sheet refinancing has established a sustainable capital structure and offers greater financial flexibility over the coming years

**2** Durable strength in the premium tubes market will contribute to another year of robust results in 2024

**3** We are ahead of plan in reducing our net debt and expect to begin returning capital to shareholders in 2025 at the latest\*

\* Vallourec's dividend policy would in any event be conditional upon the Board's decision taking into account Vallourec's results, its financial position including the deleveraging target and the potential restrictions applicable to the payment of dividends. Dividends and share repurchases would also be subject to shareholders' approval

# VALLOUREC SHAREHOLDING STRUCTURE EVOLUTION



# ARCELORMITTAL: FUTURE REFERENCE SHAREHOLDER



**MARCH 12, 2024**

**2<sup>nd</sup> SEMESTER  
2024**

ArcelorMittal replaces  
Apollo as reference  
shareholder

**SIGNING**

**CLOSING**



**SHAREHOLDER AGREEMENT DISCUSSIONS**



**2024**

**2025**

# SHARE PRICE EVOLUTION



**+14% INCREASE IN SHARE PRICE IN 2023**

Source : Bloomberg, Index100 on 2021, July 1<sup>st</sup>

# GOVERNANCE AND REMUNERATION

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Pierre Vareille  
Vice-Chairman and Lead Independent Director

# 1

## THE BOARD OF DIRECTORS

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# BOARD OF DIRECTORS



**Chairman  
and Chief Executive  
Officer**

**Philippe  
Guillemot**



**Vice-Chairman  
Lead Independent  
Director**

**Pierre  
Vareille**  
*Independent*



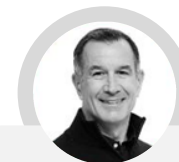
**Angela  
Minas**  
*Independent*



**Patrick  
Poulin**  
*Employee representative*



**Hera  
Siu**  
*Independent*



**Gareth  
Turner**  
*Apollo Management*



**Corine  
de Bilbao**  
*Independent*

Renewal of her term of office for a further four years are proposed to the approval of the Annual General Meeting of May 23, 2024



**Luciano Siani  
Pires**  
*Independent*

Ratification of his co-optation as Director, and renewal of his term of office for four years are proposed to the approval of the Annual General Meeting of May 23, 2024.

**71.4%**  
independent

**7**  
nationalities

**42.8%**  
women

# CANDIDATES WHOSE APPOINTMENT AS DIRECTOR IS PROPOSED TO THE GENERAL MEETING



Appointment on the date of this General Meeting

Appointment subject to condition precedent

**Frida  
Norrbon Sams**

*Independent*

Appointment of Mrs. Frida Norrbom Sams  
as Director (9<sup>th</sup> resolution)

**Genuino  
Magalhaes Christino**

Appointment of Mr. Genuino Magalhaes Christino  
as Director **subject to the condition precedent  
of the completion of the sale of Apollo's  
stake to ArcelorMittal** (10<sup>th</sup> resolution)

Should the General Meeting of Shareholders vote in favour of these seventh, eighth, ninth and tenth resolutions, and should the condition precedent provided for in the tenth resolution be fulfilled, the key figures for the composition of the Board of Directors would be changed as follows:

**66.6%**

independent

**7**

nationalities

**44.4%**

women

# 2

## **2023 CORPORATE OFFICERS' COMPENSATION**

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## Philippe Guillemot (Chairman of the Board and Chief Executive Officer)

### ► Annual Fixed Portion

Set at €1,000,000, i.e. an amount effectively paid of **€1 000 008**.

### ► 2023 Variable Portion

Principle: The variable portion payable may vary from 0% to 100% of the target fixed portion and can reach 135% if the maximum objectives are met.

The variable portion payable to the Chairman and Chief Executive Officer for 2024 may be increased by an additional 30% if the Group's deleveraging objectives are exceeded, in which case the maximum variable portion could reach 175.5% of his target remuneration (a maximum amount that is in line with observed market practices of SBF 120 companies).

For 2023, the achievement rate is equal to 123,575%% of his fixed remuneration effectively paid, amounting to a gross amount of **€1 235 764 euros**.

# 2023 VARIABLE PORTION RESULT

## OBJECTIFS

(% DE LA PART FIXE)

## RÉSULTATS

### Performance financière (60%)

• EBIDTA by metric ton (21%)	26,839%
• EBITDA by metric ton (Mining) (6%)	0,000%
• Group EBITDA (15%)	20,069%
• "Inventories" (Days on Hold) (18%)	0,000%

### Performance opérationnelle (20%)

• Accélération de la performance opérationnelle	27,000%
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### Performance RSE (20%)

• Quality (5%)	6,750%
• Safety (10%)	7,650%
• Diversity (2.50%)	3,375%
• Social and environmental responsibility composite indicator (2.50%)	3,375%

### TOTAL (100%)

**95,058%** vs. 2022  
68,150%

### "ACCELERATOR" (30%)

Group debt reduction objectives

30,000%

### TOTAL after application of the "Accelerator"

**123,575% i.e.  
€1,235,764**

**Regarding the operating performance criteria, the Board of Directors on the recommendation of the Remuneration Committee decided to set the achievement rate at 27%, emphasizing:**

- ▶ the delivery of the CapEx projects related to upgrading Brazil key production tool capabilities, on time and to budget, and key to the success of the Group's transformation;
- ▶ the smooth transfer of products from Europe to Brazil (55 complex product references from Germany that were not previously manufactured in Brazil);
- ▶ successful ramp-down in Germany with no negative impacts on planned activity in 2023 and in line with safety, quality, volume and financial targets.

# PREFERRED SHARE-BASED REMUNERATION PLAN (MEP) - (1/2)



- ▶ The 2023 remuneration policies approved by the Shareholders' Meeting on May 25, 2023 referred to the Company's share-based payment mechanism introduced by the Board of Directors on October 13, 2021 (2021 MEP). The specific features of this mechanism are based on performance and on terms and conditions generally applied by private equity funds.
- ▶ This plan continues to benefit the Chairman and Chief Executive Officer, the members of the Executive Committee and certain senior executives. It replaces, for these beneficiaries, all other long-term incentive plans.
- ▶ These **preferred shares**, of different categories, are convertible into ordinary shares subject to a performance condition indexed to the achievement of a target stock-exchange price for the Vallourec share, i.e. respectively: (i) €16.19 for Tranche 2; (ii) €20.22 for Tranche 3; (iii) €28.32 for Tranche 4. The target threshold must be met by the average share price of 90 consecutive trading days for the related performance condition to be met.

# PREFERRED SHARE-BASED REMUNERATION PLAN (MEP) - (2/2)



- ▶ **Specific terms for the assessment of the performance conditions** are provided for all beneficiaries of the preferred shares in certain circumstances, following a decision of the Board of Directors:
  - in case of a material transaction and under certain conditions, the assessment of the performance condition will be based on the transaction price or the share price on the day following the announcement of such transaction
  - The assessment of the condition related to the share price will take into account the distributions made by the Company such that performance triggers will be adjusted accordingly
  
- ▶ It is proposed to this General Meeting, in the 29<sup>th</sup> resolution, to make explicit provision in the terms and conditions of the Preferred shares to these specific modalities for assessing the performance conditions.
  
- ▶ On July 27, 2023, the Board of Directors allocated to Mr. Philippe Guillemot 1,250,000 free Tranche 2 preferred shares (the “Tranche 2 Shares”) subject to a positive vote by the General Meeting dated May 23, 2024, and which was covered by a press release on July 28, 2023 in accordance with the recommendations of the AFEP-MEDEF Code. On the date of this allocation, the average share price over the last 90 consecutive trading days was €10.81.

# OTHER COMPONENTS OF THE COMPENSATION POLICY FOR THE CEO



## ► **Supplementary pension**

- Participation in existing defined contribution supplementary pension plans offered to Vallourec group corporate officers and senior executives:
  - » Article 82: cash payment to be made of €230,004, pension contribution to be made of €230,004
  - » Article 83: contributions paid of €21,116.16

## ► **Benefits in kind**

- In 2023, the Chairman and Chief Executive Officer benefited of a Company car.

## ► **Non-compete clause**

- No non-compete clause has been paid to the CEO.

## ► **Termination benefit in the event of involuntary leave**

- No termination and benefit has been paid to the CEO.



# 3

## **NON-EXECUTIVE DIRECTORS' COMPENSATION**

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# NON-EXECUTIVE DIRECTOR COMPENSATION POLICY<sup>(1/2)</sup>



► **€1,250,000**: amount of the maximum annual budget to be allocated to directors

► **Allocation of the envelope:**

- **Participation in Board and Committee meetings**

- » **A director's attendance at a meeting of the Board of Directors (at least one hour long), is compensated as follows:**

- €3,000 for in-person attendance (€15,000 for the Vice-Chairman of the Board of Directors)
- €1,500 for participation by videoconference or audio conference (€7,500 for the Vice-Chairman of the Board of Directors)

- » **A director's attendance at a meeting of a committee of the Board of Directors (at least one hour long), is compensated as follows :**

- €5,000 for in-person attendance (€10,000 for the chairman of the committee concerned)
- €2,500 for participation by videoconference or audio conference (€5,000 for the Vice-Chairman of the Board of Directors)
- By way of exception, the Remuneration Committee meetings do not give rise to any compensation

- **In-Person attendance rule**

- » Participation by video-conference or audio-conference must not exceed 40% of scheduled meetings. Beyond this threshold, directors will not be compensated for programmed meetings (excluding exceptional meetings) which they attend by videoconference

# NON-EXECUTIVE DIRECTOR COMPENSATION POLICY<sup>(2/2)</sup>



- **Travel**

- » **Travel bonus**

- If the meeting of the Board of Directors is held in France, a bonus of €8,000 will be paid to directors who have travelled from the United States, China or Brazil, and a bonus of €2,000 will be paid to directors who have travelled from Europe (excluding France)
    - If the meeting of the Board of Directors is held in a country other than France, a bonus of €8,000 will be paid to directors who have travelled from a country other than the one in which the meeting of the Board of Directors is held.

- » **Fees**

- Directors are entitled to reimbursement of expenses incurred by them in the performance of their duties (including any travel and accommodation expenses for the purpose of attending Board and committee meetings)

► **Board observers will not receive compensation**

► **Gareth Turner waived his right to receive compensation for his term of office**

# REMUNERATION RECEIVED BY MEMBERS OF THE BOARD FOR 2023



## NON EXECUTIVE DIRECTORS

## AMOUNTS PAID

Pierre Vareille	203,000
Corine de Bilbao	116,000
Maria Silvia Marques	41,000
Luciano Siani Pires	21,500
Angela Minas	174,000
Hera Siu	124,500
Gareth Turner*	N/A
Patrick Poulin**	48,500
Guillaume Wolf***	N/A

## TOTAL

**728,500**

\* Gareth Turner waived his entitlement to Directors' remuneration..

\*\* Employee director as from March 6, 2023.

\*\*\* Employee director until March 3, 2023. Guillaume Wolf waived his entitlement to Directors' remuneration..

# 4

## 2024 COMPENSATION POLICY FOR CORPORATE OFFICERS

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# 2024 COMPENSATION POLICY OF THE CEO



## ► Annual fixed portion

- Mr. Philippe Guillemot, Chairman and Chief Executive Officer: €1,000,000 (unchanged)

## ► Variable portion

- For the Chairman and Chief Executive Officer, the variable portion payable will continue to vary from 0% to 100% of the target fixed portion and be able to reach 135% if the maximum objectives are met
- For fiscal year 2024, the variable portion of the Chairman and Chief Executive Officer may be increased by an additional 30% if the Group's deleveraging targets are exceeded. The maximum variable portion could then reach 175.5% of his target remuneration (maximum amount consistent with market analyses within the SBF 120)
- This 30% "acceleration" will also apply, with the same mechanism, to the variable remuneration of the Group's managers and executives

## ► Equity instruments

- Mr. Philippe Guillemot, Chairman and Chief Executive Officer, will not be allocated any additional free preferred shares under the MEP in 2024

## ► Objectives for the 2024 variable portion

- **Financial performance: 60%**
  - » EBITDA (24%)
  - » EBITDA per ton (18%)
  - » Stock ("*Inventory Days on Hand*") (18%)
- **Operational performance: 20%**
  - » Acceleration in performance (2%)
- **CSR: 20%**
  - » Quality (5%)
  - » Security (10%)
  - » Carbon Emissions (2.50%)
  - » Gender diversity (2.50%)



# OTHER COMPONENTS OF THE COMPENSATION POLICY FOR THE CEO

► Mr. Philippe Guillemot does not have an employment contract

► **Supplementary pension**

- Participation in existing defined-contribution supplementary pension plans offered to corporate officers and senior executives of the Vallourec Group, i.e. (i) the Group's mandatory defined-contribution plan (Article 82) and (ii) the individual plan subject to performance criteria (Article 83)

► **Non-compete clause**

- Period: 18 months, with the option for the Board of Directors to waive it at the time of departure
- Territory: Europe, Middle East, United States, Mexico, Argentina, Brazil, China, Ukraine and Russia
- Scope: any collaboration with a company or group of companies generating more than 50% of their annual consolidated revenue in the design, production, sale or use of seamless carbon tubes or any type of solution that competes with seamless tubes in the steel industry for application in the energy field
- Compensation: 12 months of gross fixed and variable monetary remuneration (based on the average of fixed and variable remuneration paid during the two fiscal years preceding the departure date)  
This sum will be paid in equal monthly advances throughout the term of application of the clause
- Payment of the non-compete benefit excluded in the event of retirement or if the executive is over 70 years of age

# OTHER COMPONENTS OF THE COMPENSATION POLICY FOR THE CEO

## ► Termination benefit in the event of involuntary leave

- Capped at two years of gross remuneration (fixed and variable), calculated on the basis of the average of the gross fixed and variable annual remuneration due for the two fiscal years preceding the departure date
- The amount of the termination benefit will depend on the rate of achievement of the objectives of the annual variable portion of the last three fiscal years preceding the departure
- Dismissal due to serious or gross misconduct will not give rise to the payment of the benefit
- No termination benefit will be payable in the event of voluntary departure, if the executive has the option of claiming his or her pension rights in the short term or in the event of termination of office due to the attainment of the age limit
- The cumulative amount of the termination benefit and the financial consideration for the non-compete obligation will be capped at two years of gross remuneration (fixed and variable)

# STATUTORY AUDITORS REPORTS

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Year ended December 31, 2023

## **Reports on the resolutions submitted to your approval**

### **► Ordinary Shareholders' Meeting**

- Report on Annual financial statements (1<sup>st</sup> resolution),
- Report on Consolidated financial statements (2<sup>nd</sup> resolution),

### **► Extraordinary Shareholders' Meeting**

- Report on the Share capital transactions (16<sup>th</sup> to 23<sup>rd</sup> resolutions, 25<sup>th</sup> to 29<sup>th</sup> resolutions).

## **Reports not giving rise to a resolution of the Shareholders' Meeting**

- Report on Regulated Agreements
- Report on Social, environmental and societal information

# STATUTORY AUDITORS REPORTS

## ORDINARY SHAREHOLDERS' MEETING

We conducted an audit engagement of the Annual and Consolidated financial statements in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REPORT'S TITLE	OPINION	JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS
<b>Report on Annual financial statements (1<sup>st</sup> résolution)</b>	Unqualified audit opinion	► Measurement of equity interests and Loans from Vallourec Tubes
<b>Report on Consolidated financial statements (2<sup>nd</sup> résolution)</b>	Unqualified audit opinion	► Valuation of goodwill, intangible assets and property, plant and equipment of cash generating unit (“CGU”) “Vallourec South America Tubes” and specific assets included in CGU “Vallourec Eastern Hemisphere Tubes”

### Specific vérifications: no matters to report

- We attest the fair presentation of information given the Management Report and the Financial statements. We have also verified the accuracy of information related to remunerations and benefits received by the directors and any other commitments made in their favor.
- We also verified the compliance of consolidated financial statements with the Single European Electronic Reporting Format (“ESEF”) (n°2019/815) of December 17, 2018.

# REPORT ON THE SHARE CAPITAL TRANSACTIONS

## EXTRAORDINARY SHAREHOLDERS' MEETING

RESOLUTION	OBJECT	DURATION OF THE AUTHORIZATION GRANTED TO THE BOARD OF DIRECTORS	TERMS
16 <sup>th</sup> , 17 <sup>th</sup> , 18 <sup>th</sup> , 19 <sup>th</sup> , 20 <sup>th</sup> , 21 <sup>st</sup> , 22 <sup>nd</sup> , 23 <sup>rd</sup>	Delegation of authority to proceed with the issue, in one or more installment, of shares and/or different marketable securities with retention and/or cancelation of preferential subscription rights	26 months	<ul style="list-style-type: none"> <li>▶ The global nominal amount by which the Share capital may be increased shall not exceed                             <ul style="list-style-type: none"> <li>• €1,831,427 pursuant to delegation granted in the 16<sup>th</sup> to 27<sup>th</sup> resolutions</li> <li>• €457,857 pursuant to delegation granted in each of 17<sup>th</sup>, 18<sup>th</sup>, 21<sup>st</sup>, 22<sup>nd</sup>, and 23<sup>rd</sup> resolutions</li> </ul> </li> <li>▶ The overall nominal amount of debt securities to be issued shall not exceed €1.5bn pursuant to the 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 21<sup>st</sup> and 22<sup>nd</sup> resolutions</li> </ul>

- ▶ We performed the procedures that we considered necessary in accordance with the professional guidelines applicable in France.
- ▶ Regarding 16<sup>th</sup>, 21<sup>st</sup> and 22<sup>nd</sup> resolutions, Management Board has not justified the choice of inputs used to calculate the issue price of equity securities to be issued. Therefore, we cannot express an opinion on the choice of inputs used to calculate the issue price and amount.
- ▶ Regarding 17<sup>th</sup>, 18<sup>th</sup> and 23<sup>rd</sup> resolutions, Management Board has not fixed the final terms and conditions under which the shares shall be issued. Therefore, we cannot express an opinion on them or on the proposed cancelation of preferential subscription rights.
- ▶ We shall issue a supplementary report, where necessary, when these delegations are utilized by your Management Board.

# REPORT ON THE SHARE CAPITAL TRANSACTIONS

## EXTRAORDINARY SHAREHOLDERS' MEETING

RESOLUTION	OBJECT	DURATION OF THE AUTHORIZATION GRANTED TO THE BOARD OF DIRECTORS	TERMS
25 <sup>th</sup>	Authorization, with the option of sub-delegation, to allocate free of charge, on one or more occasions, existing ordinary shares or future ordinary shares	14 months	<ul style="list-style-type: none"><li>▶ For the benefit of the beneficiaries that the Board of Directors will determine among the employees;</li><li>▶ Within the limit of 0.17% of the Company's share capital as of the date on which the decision is made by your Board of Directors, it being specified that this amount will be deducted from the overall ceiling of €1,831,427 set forth in §2 of the 16<sup>th</sup> resolution of the Shareholders' Meeting of May 23, 2024.</li></ul>

- ▶ We performed the procedures that we considered necessary in accordance with the professional guidelines applicable in France.
- ▶ We have no comments to make on the information provided in the Board of Directors' report on the planned operation to authorize the free allocation of shares.



# REPORT ON THE SHARE CAPITAL TRANSACTIONS

## EXTRAORDINARY SHAREHOLDERS' MEETING

RESOLUTION	OBJECT	DURATION OF THE AUTHORIZATION GRANTED TO THE BOARD OF DIRECTORS	BENEFICIARIES	TERMS
26 <sup>th</sup>	As part as an offer reserved to employees, delegation of authority to proceed with the issue, in one or more installment, of shares and/or marketable securities with cancellation of the preferential subscription right	26 months	<ul style="list-style-type: none"> <li>Reserved for members of one or more employee savings plans set up within a Group company.</li> </ul>	<p>Within the limit of 0.75% of the Company's share capital on the date of the Board's decision.</p> <p>It being specified that this ceiling</p>
27 <sup>th</sup>		18 months	<ul style="list-style-type: none"> <li>Reserved to                             <ul style="list-style-type: none"> <li>employees and corporate officers of the Company and the Vallourec Group;</li> <li>corporate mutual funds.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>is cumulative between resolutions 26 and 27,</li> <li>and will be deducted from the overall ceiling of €1,831,427 set for in §2 of the 16<sup>th</sup> resolution of the Shareholder's meeting of May 23, 2024</li> </ul>

- ▶ We performed the procedures that we considered necessary in accordance with the professional guidelines applicable in France.
- ▶ Subject to the subsequent examination of the conditions of each issue that may be decided, we have no comments to make on the methods for determining the issue price of the marketable securities to be issued, given in the Board of Directors' report.
- ▶ Since the final conditions under which the issue(s) would be carried out have not been fixed, we do not express an opinion on them and on the proposed cancelation of preferential subscription right that is made to you.
- ▶ We shall issue a supplementary report, where necessary, when these delegations are utilized by your Management Board.

# REPORT ON THE SHARE CAPITAL TRANSACTIONS

## EXTRAORDINARY SHAREHOLDERS' MEETING

RESOLUTION	OBJECT	DURATION OF THE AUTHORIZATION GRANTED TO THE BOARD OF DIRECTORS	TERMS
28 <sup>th</sup>	Share capital decrease	26 months	<ul style="list-style-type: none"><li>► Cancellation, on one or more occasions, within a maximum of 10% of its share capital, by 24-month periods, the shares purchased by the Company pursuant to the authorization to purchase its own shares</li></ul>

- We performed the procedures that we considered necessary in accordance with the professional guidelines applicable in France.
- We have no comments on the reasons for and the terms and conditions of the proposed decrease in share capital

# REPORT ON THE SHARE CAPITAL TRANSACTIONS

## EXTRAORDINARY SHAREHOLDERS' MEETING

RESOLUTION	OBJECT	MODALITÉS
29 <sup>th</sup>	Modification of the terms of conversion already listed in the Articles of Association of the so-called "Tranche 2", "Tranche 3" and "Tranche 4" Preferred shares	<ul style="list-style-type: none"><li>▶ The Preferred shares were authorized by the Combined General Meeting of September 7, 2021, to which we presented a report.</li><li>▶ The changes to the proposed terms of conversion aim to align the terms and conditions of the Preferred shares with the documentation relating to the allocation of Performance-Based Free Shares, as presented in the report of the Board of Directors.</li></ul>

- ▶ We performed the procedures that we considered necessary in accordance with the professional guidelines applicable in France.
- ▶ We have no comments to make on:
  - the presentation of the impact of the transaction;
  - the conversion ratio;
  - the presentation of the planned changes to the characteristics of the Preferred Shares;
  - and consequently, on the planned conversion
- ▶ We shall issue a supplementary report if conversion operations of Preferred Shares are carried out by your Chairman in accordance with the Articles of Association.

# REPORT ON REGULATED AGREEMENTS

## ORDINARY SHAREHOLDERS' MEETING

### REPORT'S TITLE

### AGREEMENTS

### OBSERVATIONS

REPORT  
ON REGULATED  
AGREEMENTS

Agreements subject  
to your approval

#### AGREEMENTS AUTHORISED DURING THE PAST YEAR

- We have not been advised of any agreements authorized and concluded during the past financial year, to be submitted for the approval of the Shareholders' meeting pursuant to the Article L. 225- 38 of the French Commercial Code

Agreements previously approved  
by the Shareholders' meeting

#### AGREEMENTS APPROVED IN PREVIOUS YEARS

- We have not been advised of any agreements, previously approved by the Shareholders' Meeting, the execution of which continued during the year

# REPORT ON SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION



## REPORT'S TITLE

## OBSERVATIONS

Report by one of the Statutory Auditors, appointed as an independent third party, on the verification of the consolidated non-financial performance statement

**Conclusion of moderate assurance** on the consolidated declaration of non-financial performance in accordance with Article L. 225-102-1 of the French Commercial Code:

- We inform you that, based on our work, we have not identified any significant anomaly likely to call into question the fact that the declaration of non-financial performance complies with the applicable regulatory provisions and that the information, taken as a whole, are presented fairly, in accordance with the Vallourec group standards.

**Conclusion of reasonable assurance** on a selection of extra-financial information included in the declaration :

- We inform you that, on the basis of our work, the information has been established, in all its significant aspects, in accordance with the Vallourec group standards.

# QUESTIONS / ANSWERS

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# VOTE ON RESOLUTIONS

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Sarah Dib  
Group General Counsel

# 1

## **VOTE ON RESOLUTIONS ORDINARY PART**

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# 1<sup>ST</sup> RESOLUTION

- **Approval of the parent company financial statements for the 2023 fiscal year**

## 2<sup>ND</sup> RESOLUTION

ORDINARY



► **Approval of the consolidated financial statements for the 2023 fiscal year**

## 3<sup>RD</sup> RESOLUTION

### ► Allocation of net income for the 2023 fiscal year

- Net income of the fiscal year: **€1,155,062,000**
- It is proposed that no dividend be paid in respect of the 2023 financial year and that the entire balance be allocated to retained earnings

## 4<sup>TH</sup> RESOLUTION

ORDINARY



### ► **Renewal of the appointment of KPMG as Statutory Auditor**

# 5<sup>TH</sup> RESOLUTION

ORDINARY



## ► Appointment of Ernst & Young et Autres as Statutory Auditor

## 6<sup>TH</sup> RESOLUTION

ORDINARY



- **Appointment of Ernst & Young et Autres as Statutory Auditor in charge of certifying sustainability reporting**

## ► **Renewal of the mandate of Mrs. Corine de Bilbao as Director**

- **Ratification of the cooptation of Mr. Luciano Siani as Director and renewal of mandate**



## 9<sup>TH</sup> RESOLUTION

ORDINARY



### ► Appointment of Mrs. Frida Norrbom Sams as Director

## 10<sup>TH</sup> RESOLUTION

- **Appointment of Mr. Genuino Magalhaes Christino as Director subject to the condition precedent of the completion of the sale of Apollo's stake to ArcelorMittal**

## 11<sup>TH</sup> RESOLUTION

- **Approval of the disclosures relating to each corporate officer's remuneration required by Article L. 22-10-9-I of the French Commercial Code, as presented in the Corporate Governance Report**

## 12<sup>TH</sup> RESOLUTION

- **Approval of the fixed, variable and extraordinary components of the total remuneration and benefits paid during or awarded for the 2023 fiscal year to Philippe Guillemot in his capacity as Chairman and Chief Executive Officer**

## 13<sup>TH</sup> RESOLUTION

- **Approval of the remuneration policy for the Chairman and Chief Executive Officer for the 2024 fiscal year**

# 14<sup>TH</sup> RESOLUTION

- **Approval of the remuneration policy for Directors (other than the Chairman) for the 2024 fiscal year**

# 15<sup>ÈME</sup> RÉOLUTION

ORDINARY



- **Authorization to be given to the Board of Directors to trade in the Company's shares**

# 2

## **VOTE ON RESOLUTIONS EXTRAORDINARY PART**

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## 16<sup>TH</sup> RESOLUTION

- ▶ **Delegation of authority to the Board of Directors to decide to increase the capital of the Company or other companies by issuing shares and/or securities with immediate or deferred rights to shares, with pre-emptive subscription rights**

## 17<sup>TH</sup> RESOLUTION

- **Delegation of authority to the Board of Directors to decide to increase the capital of the Company or other companies by issuing shares and/or securities with immediate or deferred rights to shares, without pre-emptive subscription rights, placed through a public offer other than an offer to the public governed by Article L. 411-2-1° of the French Monetary and Financial Code**

## 18<sup>TH</sup> RESOLUTION

- **Delegation of authority to the Board of Directors to decide to issue shares and/or securities with immediate or deferred rights to shares of the Company or other companies, without pre-emptive subscription rights, placed through an offer to the public governed by Article L. 411-2-1° of the French Monetary and Financial Code**

## 19<sup>TH</sup> RESOLUTION

- **Authorization to be given to the Board of Directors to determine the issue price of shares issued without pre-emptive subscription rights, within the limit of 10% of the capital per year**

## 20<sup>TH</sup> RESOLUTION

- **Delegation of authority to the Board of Directors, in the case of a share issue with or without pre-emptive subscription rights, to increase the number of shares to be issued**

## 21<sup>ST</sup> RESOLUTION

- **Delegation of authority to the Board of Directors to issue shares and/or securities with immediate or deferred rights to shares, without pre-emptive subscription rights, in payment for contribution of equity securities or securities with rights to shares, except for securities tendered to a public exchange offer initiated by the Company**

## 22<sup>ND</sup> RESOLUTION

- **Delegation of authority to the Board of Directors to issue shares and/or securities with immediate or deferred rights to shares, without pre-emptive subscription rights, in exchange for shares tendered to a public exchange offer initiated by the Company**

## 23<sup>RD</sup> RÉSOLUTION

EXTRAORDINARY



- **Delegation of authority to the Board of Directors to issue shares of the Company, without pre-emptive subscription rights, as a result of the issue by the Company's subsidiaries of securities with rights to the Company's shares**



## 24<sup>TH</sup> RESOLUTION

- **Delegation of authority to the Board of Directors to increase the share capital by capitalizing additional paid-in capital, reserves, profits, or any other amounts**

# 25<sup>TH</sup> RESOLUTION

EXTRAORDINAIRE



► **Authorization to be given to the Board of Directors to grant free shares**

## 26<sup>TH</sup> RESOLUTION

- ▶ **Delegation of authority to the Board of Directors to issue shares and/or securities with immediate or deferred rights to shares, without preemptive subscription rights, for subscription by members of employee share ownership plans**

## 27<sup>TH</sup> RESOLUTION

- **Delegation of authority to the Board of Directors to issue shares and/or securities with immediate or deferred rights to shares, without pre-emptive subscription rights, to employees and corporate officers of the Company and Vallourec Group companies related to the Company within the meaning of Article L. 225-180 of the French Commercial Code, other than members of an employee share ownership plan**

## 28<sup>TH</sup> RESOLUTION

- **Authorization to be given to the Board of Directors to reduce the share capital by cancelling treasury shares**

# 29<sup>TH</sup> RESOLUTION

EXTRAORDINARY



## ► **Modification of the articles of association**

# 3

## **VOTE ON RESOLUTIONS ORDINARY PART**

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# 30<sup>TH</sup> RESOLUTION

ORDINARY



## ► Powers for formalities



# THANK YOU

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# GENERAL MEETING

May 23, 2024