

**VALLOUREC**

A French *Société anonyme* with a share capital of €4,745,436.56  
Registered Office: 12 rue de la Verrerie - 92 190 Meudon  
552 142 200 R.C.S. Paris  
(the "*Company*")

**SPECIAL REPORT OF THE BOARD OF DIRECTORS ON  
FREE PERFORMANCE SHARES ALLOCATIONS FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2023  
(Article L. 225-197-4 of the French Commercial Code)**

Dear shareholders,

In accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, the Board of directors of the Company hereby informs you of the transactions carried out under Articles L. 225-197-1 to L. 225-197-3 of the said Code concerning the allocation of free shares during the fiscal year ended 31 December 2023.

**1- Allocations under the Management Equity Plan (MEP)**

**Legal framework of the allocation:**

The extraordinary general meeting of shareholders of the Company dated September 7<sup>th</sup>, 2021, in its 10<sup>th</sup> resolution, authorized the Board of directors, to allocate free shares in accordance with the provisions of Articles L. 225-197-1 and seq., L. 22-10-59 and L. 22-10-60 of the French Commercial Code to certain employees of the Company and companies of the Vallourec group (the "**Group**").

The general meeting of shareholders fixed at one year the minimum duration of the vesting period after which the allocation of ordinary shares to the beneficiaries will become final.

The maximum number of ordinary shares of the Company that can be allocated free of charge under this authorization was fixed by the extraordinary general meeting at 5% of the share capital on the day of the decision of the Board of directors.

The total number of shares allocated for the year ended on December 31, 2023 is 2,005,303 shares, i.e. 0,85% of the share capital. In case of transactions impacting the share capital, the Board of directors may adjust, where appropriate, the number of shares allocated in order to preserve the rights of the beneficiaries.

**The following are summary tables showing:**

- The number and value of the shares which have been allocated for free, during the year, to each of the corporate officers as a result of posts and positions held within the Company, by the Company and by those linked to it under the conditions provided for in Article L. 225-197-2 of the French Commercial Code:

	Allocation date	Number of allocated shares	Value of the allocated shares (€)*
1	27 July 2023	1 250 000	9 850 000

*\*The valuation method is described in Chapter 7 of the 2023 Universal Registration Document*

- The number and value of the shares which have been allocated for free, during the year, to each of the corporate officers as a result of posts and functions, by the companies controlled within the meaning of Article L. 233-16 of the French Commercial Code: **None**

- The number and value of shares allocated for free by the Company and by those linked to it under the conditions provided for in Article L. 225-197-2 of the French Commercial Code, to each of the 10 employees of the Company who are not corporate officers whose number of shares allocated for free is the highest:

	Allocation date	Number of shares allocated	Value of shares (€)*
1	27/07/2023	393 315	3 387 623
2	27/07/2023	324 081	2 791 309
3	10/03/2023	327 562	2 557 344
4	27/07/2023	86 325	743 517
5	27/07/2023	77 619	668 533
6	27/07/2023	73 204	630 507
7	27/07/2023	64 054	551 697
8	01/02/2023	61 090	468 012
9	01/02/2023	40 356	309 166
10	14/12/2023	40 548	280 592

*\*The valuation method is described in Chapter 7 of the 2023 Universal Registration Document*

- The number and value of the shares which, during the year, have been allocated for free by the Company and by related companies or groups under the conditions provided for in Article L. 225-197-2 of the French Commercial Code, to all the employee beneficiaries, as well as the number of beneficiaries and the breakdown of how those shares were allocated between the beneficiary categories:

	Number of beneficiaries / % of the total number of beneficiaries	Number of shares allocated	Value of shares (€)*
Executive Committee Members	10 (20%)	1 111 308	9 475 117
Executives	42 (80%)	895 005	6 705 841
Other employees			
TOTAL	52	2 006 313	16 180 958

*\*The valuation method is described in Chapter 7 of the 2023 Universal Registration Document*

**2- Allocations under the Long Term Incentive Plan (LTIP)**

**Legal framework of the allocation:**

The extraordinary general meeting of shareholders of the Company dated May 25, 2023, in its 12<sup>th</sup> resolution, authorized the Board of directors, to allocate free shares in accordance with the provisions of Articles L. 225-

197-1 and seq., L. 22-10-59 and L. 22-10-60 of the French Commercial Code to certain employees of the Company and companies of the Vallourec group (the "**Group**").

The general meeting of shareholders fixed at two years the minimum duration of the vesting period after which the allocation of ordinary shares to the beneficiaries will become final, subject to the achievement of performance conditions set by the Board of directors.

The maximum number of ordinary shares of the Company that can be allocated free of charge under this authorization was fixed by the extraordinary general meeting at 0.17% of the share capital on the day of the decision of the Board of directors.

The Board of directors allocated the free performance shares during its meeting held on November 12, 2023, effective on November 17, 2023, to the benefit of the employees it designated.

The total number of shares allocated for the year ended on December 31, 2023 is 368 300 shares, i.e. 0,16 % of the share capital. In case of transactions impacting the share capital, the Board of directors may adjust, where appropriate, the number of shares allocated in order to preserve the rights of the beneficiaries.

#### **Vesting period:**

The vesting of the shares would occur on November 17, 2025, subject to the terms and conditions summarized below.

#### **Vesting conditions:**

The vesting of the shares would occur on November 17, 2025 subject to the achievement of long-term performance conditions as following:

- For 25% of the rights allocated, the average daily trading volume-weighted average price of the Vallourec share must be equal to or exceed €16,19 over a period of ninety consecutive trading days during the vesting period;
- For 25% of the rights allocated, the average daily trading volume-weighted average price of the Vallourec share must be equal to or exceed €20,22 over a period of ninety consecutive trading days during the vesting period;
- One half of the rights allocated is not subject to performance conditions.

The vesting of rights is also subject to the condition that the beneficiary is in the workforce of the Company or of a Group company throughout the vesting period, with exceptions (disability, death, retirement). The presence condition may also be waived by the Board of directors or any person acting on the delegation of the Board of directors, on a case-by-case basis.

#### **The following are summary tables showing:**

- The number and value of the shares which have been allocated for free, during the year, to each of the corporate officers as a result of posts and positions held within the Company, by the Company and by those linked to it under the conditions provided for in Article L. 225-197-2 of the French Commercial Code: **None**
- The number and value of the shares which have been allocated for free, during the year, to each of the corporate officers as a result of posts and functions, by the companies controlled within the meaning of Article L. 233-16 of the French Commercial Code: **None**
- The number and value of shares allocated for free by the Company and by those linked to it under the conditions provided for in Article L. 225-197-2 of the French Commercial Code, to each of the 10 employees

of the Company who are not corporate officers whose number of shares allocated for free is the highest:

	Allocation date	Number of shares allocated	Value of shares (€)*
1	17 November 2023	8 000	75 940
2	17 November 2023	5 000	47 463
3	17 November 2023	5 000	47 463
4	17 November 2023	5 000	47 463
5	17 November 2023	4 000	37 970
6	17 November 2023	4 000	37 970
7	17 November 2023	4 000	37 970
8	17 November 2023	3 500	33 224
9	17 November 2023	3 000	28 478
10	17 November 2023	3 000	28 478

*\*The valuation method is described in Chapter 7 of the 2023 Universal Registration Document*

- The number and value of the shares which, during the year, have been allocated for free by the Company and by related companies or groups under the conditions provided for in Article L. 225-197-2 of the French Commercial Code, to all the employee beneficiaries, as well as the number of beneficiaries and the breakdown of how those shares were allocated between the beneficiary categories:

	Number of beneficiaries / % of the total number of beneficiaries	Number of shares allocated	Value of shares (€)*
Executive Committee Members	-	-	-
Executives	-	-	-
Other employees	271 (100%)	371 950	3 530 783
TOTAL	271	371 950	3 530 783

*\*The valuation method is described in Chapter 7 of the 2023 Universal Registration Document*

Prepared in Meudon, on March 25 2024

The Board of directors