

ISSUER'S IDENTIFICATION DATA

Date of fiscal year end: 31/12/2019

Company tax No. (CIF): A-28092583

Corporate name:

TÉCNICAS REUNIDAS, S.A.

Registered office:

ARAPILES, 13, MADRID

A. COMPANY REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

A.1 Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved at the general meeting of shareholders, provided that these references are clear, specific and concrete.

Describe the specific determinations for the current fiscal year, both in terms of directors' remuneration in their capacity as such and for their performance of senior-management duties, established by the board in accordance with the terms of the contracts signed with executive directors and the remuneration policy approved at the general meeting of shareholders.

In all cases, the following aspects should be reported:

- A description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in determining the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

In accordance with the provisions of the applicable legislation and the Company's corporate regulations, the Annual General Meeting of Shareholders is the competent body responsible for approving the Company's remuneration policy, subject to approval by the Appointments and Remuneration Committee ('ARC') and at the proposal of the Board of Directors ('BOD'). Once the remuneration policy and the maximum amount of annual remuneration is approved at the Annual General Meeting of Shareholders ('AGM'), the distribution between each of the directors will then be agreed by the BOD.

In specific terms, one of the duties assigned to the ARC under Article 30 of the Articles of Association is 'Proposing to the Board of Directors the remuneration policy for the directors and general managers or anyone in senior management who reports directly to the Board, the Executive Committee or the Chief Executive Officer(s), as well as individual remuneration and the remaining contractual conditions of the executive directors, ensuring that these are met'.

The ARC is the body responsible for assisting the BOD in matters of remuneration. It plays an important role in drafting the directors' remuneration policy, conducting internal assistance and proposal procedures, with the aim of ensuring alignment with the best practices of corporate governance and the regulations in force.

In compliance with the provisions of Article 14.2 of the Regulations of the Board of Directors, the ARC reports to the BOD on the remuneration schemes and the amount of annual remuneration for directors and senior management, which is submitted to the BOD for approval as appropriate.

In compliance with the above provisions, at the proposal of the BOD and on the basis of the favourable report by the ARC, the Directors' Remuneration Policy ('DRP') applicable to fiscal years 2019 to 2021 was approved at the Company's AGM on 26 June 2019 with 99.61% of votes in favour, which will be in force during fiscal year 2020.

The basic principles of the DRP include, among others, the following:

- Adhering to the principle of proportionality in directors' remuneration as provided for in Article 25(3) of the Regulations of the Board of Directors and Article 217.4 of the Spanish Companies Act.
- Ensuring remuneration is in reasonable proportion to the Company's importance, taking into account factors including its size, turnover, number of workers and economic significance.
- Aiming to promote the Company's long-term profitability and sustainability, so as to avoid excessive risk-taking and the rewarding of unfavourable results.
- Attracting and retaining Company directors and rewarding each director's dedication, competence and assumption of responsibility, without compromising their independence of judgement under any circumstance.
- Aiming to align directors' remuneration with the strategies and the interests of the Company and its shareholders.
- With respect to external directors, their remuneration as directors:
 - (i) will aim to appropriately reward their dedication, competence and assumption of responsibilities;
 - (ii) will not include the opportunity to participate in pension schemes financed by the Company for cases of termination of service, death or other reasons; and
 - (iii) the established remuneration must offer incentives to external advisers for their dedication, but this must in no case compromise their independence of judgment.
- Ensuring the BOD's commitment to applying the principle of transparency to all items of remuneration included in the DRP, providing transparent, sufficient and timely information.

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

The DRP has been designed and drawn up taking into consideration the directors' remuneration policies implemented by the Company's main international competitors as well as the situation of other Ibx 35 companies.

The preparation of the DRP also involved the participation of Ernst & Young as external advisors in these matters as well as consideration of comparable companies at both national and international level.

The remuneration provided for in the DRP for the current fiscal year is as follows:

Directors' remuneration for their service in their capacity as directors comprises the following items of remuneration:

- (i) annual fixed remuneration for membership of the BOD;
- (ii) an additional annual fixed allocation for chairing the Committees;
- (iii) expenses for attending meetings of the BOD and the Committees, as appropriate.

The maximum total amount of annual remuneration for all directors for their service as directors is set at 6,000,000 euros, and this amount will remain valid unless any changes are approved at the AGM. In accordance with the Company's Articles of Association, this amount must be approved at the Annual General Meeting, and it is expected that the BOD will approve the same amount - 6,000,000 euros - for the current fiscal year.

Each year, the Company's BOD will determine the overall amount of remuneration for directors for their service in their capacity as directors, within the maximum limit set at the AGM, and will distribute this amount among the directors taking into account their membership of the Committees, the positions they hold, their work in the service of the Company, as well as the specific contributions that directors make by virtue of their qualifications and professional experience.

(Continued in Section D.)

- The relative importance of items of fixed and variable remuneration (remuneration mix) and the criteria and objectives taken into account in their determination and in ensuring an appropriate balance between fixed and variable remuneration components. Specifically, state the actions taken by the company in relation to the remuneration scheme in order to reduce exposure to excessive risks and adapt it to the company's long-term objectives, values and interests. This includes, where applicable, reference to measures to ensure that the company's long-term results are taken into account in the remuneration policy, measures taken in relation to any categories of personnel whose professional activities have a material impact on the company's risk profile and measures to prevent any conflicts of interest.

Furthermore, state whether the company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and consolidated financial instruments, or if any clause has been agreed that reduces the deferred remuneration or that obliges directors to return remuneration received, when such remuneration has been based on figures that have clearly been shown to be inaccurate.

Variable remuneration is limited to the executive directors and is supplementary to their fixed remuneration. It is intended to strengthen the director's commitment to the Company and to act as a performance incentive, linking part of their remuneration to the Company's performance and their individual performance. The maximum remuneration is 550 thousand euros for each executive director and the amount is assessed after fiscal year end.

With regard to the remuneration mix, the Company offers the executive directors: (i) a fixed component; (ii) variable components of remuneration; (iii) pension schemes; and (iv) other conditions set out in the contracts of executive directors with senior management duties. The Company has not granted any share options.

The remuneration is in reasonable proportion to the Company's importance, its current financial situation and the market standards of comparable companies. In addition, the Company's remuneration policy aims to encourage long-term profitability and sustainability, including any necessary precautions for avoiding excessive risk-taking and the reward of unfavourable results.

With regard to the mix of variable and fixed components of the remuneration, fixed remuneration amounts to 850 thousand euros for the Chairperson and 800 thousand euros for the 1st Deputy Chairperson, and for fiscal year 2020, taking into account 87 thousand euros for membership of the Board and expenses for attending Board meetings (the same as the maximum applicable for fiscal year 2019), as well as the maximum amount receivable in variable remuneration (550 thousand euros), the maximum variable remuneration will correspond to 36.99% and 38.27% of the total remuneration for these items, respectively.

Variable remuneration is deferred and paid only after fiscal year end, in order that the Company can evaluate and verify compliance with the parameters established for the determination of the corresponding remuneration.

The evaluation will be based on the annual results of the Company and its consolidated group, among other aspects, which will be analysed by the Audit and Control Committee. After this analysis, the Appointments and Remuneration Committee will submit the proposal for variable remuneration to the Board of Directors, who will approve the corresponding amount of variable remuneration as appropriate.

As noted above, during fiscal year 2020, the Company will apply the Directors' Remuneration Policy for the 2019-2021 period, which was

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

approved at the Annual General Meeting of Shareholders on 26 June 2019. With respect to variable remuneration, the parameters referred to in point 6 of Section A.1 below will be incorporated in order to follow market developments in this area.

Finally, the Company will initiate any necessary actions to oblige directors to return remuneration received, when such remuneration has been based on figures that have clearly been shown to be inaccurate, even if these actions are not expressly set out in the clauses in the contracts signed by the executive directors.

- The amount and nature of the fixed components that are expected to be accrued during the fiscal year by directors in their capacity as such.

The amount of 6,000,000 euros in total remuneration for members of the Board of Directors and its committees, to be allocated to the members of the Board of Directors for the joint fulfilment of their duties as directors in 2020, will be submitted for approval at the next Annual General Meeting of Shareholders, to be held in June.

In accordance with the provisions of the Company's Articles of Association, this amount must be approved at the Annual General Meeting of Shareholders and distributed between the members of the Board of Directors by this body, based on their membership of committees, the positions they hold, their work in the service of the Company and any other objective factors considered relevant.

It is expected that the Board of Directors will approve the following amounts for items of fixed remuneration for the different members of the Board of Directors, the Audit and Control Committee, the Appointments and Remuneration Committee and the Risk and Treasury Committee:

Fixed allocation -

- Membership of the Board of Directors: 55,478 euros a year.
- Serving as Chairperson of the Audit and Control Committee, the Appointments and Remuneration Committee or the Internal Risk and Treasury Committee: 15,384 euros a year.

Expenses -

- Expenses for attending a meeting of the Board of Directors: 3,500 euros.
- Expenses for attending a meeting of the Audit and Control Committee: 3,500 euros.
- Expenses for attending a meeting of the Appointments and Remuneration Committee: 5,000 euros.
- Expenses for attending meetings of the Internal Risk and Treasury Committee: 6,000 euros each quarter.

The annual fixed allocation applicable to Adrián Lajous Vargas for membership of the Board of Directors is currently estimated at 200,000 euros. This different allocation for Adrian Lajous Vargas is justified by objective circumstances linked to the specific contributions that Adrian Lajous Vargas can make in the undertaking of the Boards' inherent functions, by reason of his professional qualifications and experience. As can be seen from his curriculum vitae, which is available on the Company's website, the special circumstance of his residence in Mexico and his unique qualifications and personal experience in the energy sector's international sphere, particularly in Latin America, provide extraordinary added value to his membership of the Company's Board of Directors. In this regard, his vision as a director is considered highly valuable, not only with respect to the functions of the Board in general, but particularly in relation to the Company's strategic direction, given his international experience.

- The amount and nature of the fixed components that will be accrued during the fiscal year by executive directors for the performance of senior management functions.

The fixed remuneration currently estimated for performance of senior management duties by the executive directors amounts to 850,000 euros in the case of the Chairperson and 800,000 euros in the case of the 1st Deputy Chairperson, which should not be subject to any significant changes with respect to the fixed remuneration for executive directors for fiscal year 2020.

- The amount and nature of any component of remuneration in kind that will be accrued during the fiscal year including, but not limited to, insurance premiums paid for directors.

Remuneration in kind is available exclusively to executive directors, and is of minor significance, given that it is limited to life and accident insurance premiums of the Chairperson and 1st Deputy Chairperson. The sum of all these items amounted to 39,310.60 euros during fiscal year 2019 and a similar amount is forecast for fiscal year 2020.

- The amount and nature of the variable components, distinguishing between short- and long-term components. The financial and non-financial parameters, including social, environmental and climate change-related parameters, selected to determine the variable remuneration during the current fiscal year, explaining the extent to which these parameters are related to the performance of both the director and the entity, as well as the

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

corresponding risk profile, and the methodology, required timeframe and mechanisms for determining, at fiscal year end, the degree of compliance with the parameters used in the variable remuneration model.

Indicate the range in monetary terms of the different variable components based on the degree of compliance with the established objectives and parameters, and whether there are any maximum monetary limits defined in absolute terms.

Variable remuneration for executive directors is one of the aspects included in the Directors' Remuneration Policy for 2019-2021 which was approved at the Company's 2019 Annual General Meeting of Shareholders on 26 June 2019.

This variable remuneration will have a maximum of 550,000 euros for each executive director, with a potential 10% adjustment to this amount, based on their performance evaluation.

Payment of variable remuneration will be linked to the following parameters:

Quantitative targets (80% of total variable remuneration):

- Contract awards: 30% of total variable remuneration.
- Margin (EBITDA): 30% of total variable remuneration.
- Consolidated revenue: 20% of total variable remuneration.

Non-financial targets (HSE) (20% of total variable remuneration):

- Safety (10% of total variable remuneration).
- Environment (10% of total variable remuneration).

Likewise, the Company will assess minimum weighted compliance of between 50% and 70% of the total targets.

The Company's Appointments and Remuneration Committee will be responsible for setting targets (KPIs or metrics) and determining the 10% adjustment for performance evaluation and the amount to be received.

Likewise, the Company intends to submit a long-term variable remuneration plan ('LTIP') for executive directors for consideration at the 2020 AGM. This LTIP has been drawn up by the Company's ARC and implements the provisions of point V(III) of the DRP, which stipulates that '(...) executive directors will be entitled to receive remuneration comprising the following items of remuneration: (...) Long-term variable remuneration with the aim of promoting reciprocal value creation for the Company, its shareholders and beneficiaries, strengthening the commitment of the latter and rewarding the creation of sustainable value for shareholders over the long term. Consequently, while this DRP is in force, executive directors will be entitled to participate in all the long-term variable remuneration schemes, whether cash-based, share-based or linked to share prices, which are approved at the AGM, at the proposal of the BOD and drawn up subject to a report from the ARC'.

The LTIP has been designed in accordance with the precautionary principle and has taken into account current trends in comparable companies and the best practices of various actors in the market. Its main characteristics are as follows:

- Type of plan: long-term cash incentive linked to business plan objectives.
- Purpose:
 - To promote reciprocal value creation for the Company, its shareholders and beneficiaries.
 - To guide the management team toward the achievement of business plan objectives.
 - To strengthen the dedication and engagement of the beneficiaries in the performance of their duties.
 - To incentivise the professional performance of executive directors over the long term.
 - To promote the Company's sustainability for the creation of long-term value.
- Beneficiaries: Executive directors (Chairperson and 1st Deputy Chairperson).
- Duration: 3 years (1 January 2020 - 31 December 2022).
- Payment: in 2023, following approval of the annual financial statements and approval from the Board of Directors with respect to the degree of compliance with the targets set.
- Settlement: in cash.
- Incentive: level of award close to the market average for the comparison group with respect to annual fixed remuneration ('AFR'), at an annualised target value of 75%, with a total incentive calculated according to %RFA * number of years of duration of the plan.
- Targets:
 - Total shareholder return in relation to the comparison group ('relative TSR').
 - Cumulative EBITDA for the period.
 - Third target comprising qualitative factors linked to the strategic plan.
- Weighting of targets:
 - 60% EBITDA.
 - 30% relative TSR.
 - 10% qualitative factors linked to the strategic plan.
- Key minimum compliance target of 80% of the defined EBITDA target.
- 'Good Leaver' termination - with the right to receive a proportional part of the plan.
- 'Bad Leaver' termination - without the right to receive any incentive.

- The main characteristics of long-term savings schemes. This information should include contingencies

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

covered by the scheme, whether it is a defined benefit or contribution scheme, the annual contribution that must be made to defined contribution schemes, the benefits to which recipients are entitled in the case of defined benefit schemes, the conditions governing the vesting of financial rights for directors and their compatibility with any type of compensation for early termination or removal, or arising from termination, under the established terms, of the contractual relationship between the company and the director.

It should be indicated whether the accrual or vesting of any of the long-term savings plans is linked to specific objectives or parameters related to the director's performance over the short or long term.

In accordance with the Directors' Remuneration Policy for 2019-2021, directors with delegated or executive functions will benefit from long-term savings schemes linked to retirement, permanent disability in cases of total, long-term and near-total disability, and death, for the purpose of supplementing their public social security benefits.

Specifically, executive directors will be entitled to benefit from the Company's general social benefits system, which the Company implements in the form of a contracted pension plan. Where appropriate, a supplementary contribution is paid specifically for the Chairperson or 1st Deputy Chairperson in addition to that paid by the executive director, whose amount depends on various factors, such as seniority in the Company.

In addition, while the Remuneration Policy is in force, executive directors will have the right to participate in all long-term savings schemes approved at the Annual General Meeting, at the proposal of the Board of Directors, drawn up on the basis of a report by the Appointments and Remuneration Committee.

The Company confirms that no contribution has been made to the private pension plan of any of its Directors during fiscal year 2019.

- Any type of payment or compensation for early termination or removal, or arising from termination, under the established terms, of the contractual relationship between the company and the director, as well as any type of agreements made, such as exclusivity agreements, post-contractual non-compete agreements, length of service agreements and loyalty agreements, which entitle directors to any type of remuneration.

Executive directors' contracts are currently of indefinite duration and provide for financial compensation in the case of early termination and post-contractual non-compete agreements:

- Compensation for early termination in the event of removal from their position as director, or any other form of termination of the legal relationship with the Company that serves as the basis for the remuneration of delegated or executive functions, which is not due to non-compliance attributable to the director, for a maximum amount equivalent to the sum of the last two yearly payments of (a) fixed remuneration, (b) variable remuneration, and (c) amounts received by virtue of any Social Security Special Agreements which have been entered into.

- Post-contractual non-compete agreements: for a period of two years from the termination of the contract with the Company, executive directors may not provide professional services or carry out administrative or managerial functions in companies or entities with a corporate purpose wholly or partly analogous to the Company's, unless expressly approved by the Board of Directors, at the proposal of the executive director. Financial compensation for this post-contractual non-compete agreement will be understood to be included in the compensation for termination of the contract described in the point 'Compensation for early termination' in the paragraph above.

- Indicate the terms which must be included in the contracts of executive directors performing senior-management duties. This should include information on the duration of contracts, limits on amounts of compensation, minimum length of service clauses, notice periods and payment in lieu of notice periods, and any other clauses relative to signing bonuses, as well as compensation or golden handshake packages linked to early termination of the contractual relationship between the company and the executive director. Include non-compete agreements, exclusivity agreements, length of service and loyalty agreements, as well as post-contractual non-compete agreements, unless these have been explained in the section above.

The terms which must be included in executive directors' contracts are currently as follows, in accordance with the provisions of the Directors' Remuneration Policy for 2019-2021 ('DRP'):

(i) Remuneration: executive directors' contracts include the remuneration package that they are entitled to receive for the performance of their delegated or executive functions.

(ii) Indefinite duration: the contracts of directors performing delegated or executive functions will be of indefinite duration.

(iii) Compensation for early termination: in the amount equivalent to the last two yearly payments of (a) fixed remuneration, (b) variable remuneration and (c) the amounts received by virtue of any Social Security Special Agreements which have been entered into.

(iv) Post-contractual non-compete agreements: for a period of two years from the termination of the contract with Técnicas Reunidas, executive

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

directors must not enter into competition with the Company under the terms described above. Financial compensation for this post-contractual non-compete agreement will be understood to be included in the compensation for termination of the contract described in paragraph (iii) above.

(v) Non-competition: executive directors' relationship with the Company is exclusive and they may not therefore provide services to other entities during the term of their contracts unless expressly authorised to do so by the Board of Directors, at the proposal of the executive director, with the exception of any positions that they may hold in companies from the Técnicas Reunidas Group.

(vi) Duty of confidentiality: directors performing senior-management duties must ensure that any information, data, reports or background knowledge that they acquire in the performance of their duties is kept confidential, and this confidentiality must be maintained even when they no longer serve on the Board.

According to the DRP, Company directors with delegated or executive functions will be entitled to receive remuneration comprising the following items of remuneration:

- (i) fixed annual remuneration;
- (ii) variable annual remuneration;
- (iii) long-term variable remuneration;
- (iv) long-term savings scheme, in accordance with the Company's general social benefits system, applicable to all employees;
- (v) compensation for early termination and post-contractual non-compete agreements;
- (vi) welfare benefit, consisting of a life and accident policy within the framework of the conditions in force under the collective policy taken out by the Company for all its workers;
- (vii) a company vehicle.

- The nature and estimated amount of any other supplementary remuneration that will be accrued by directors during the current fiscal year in compensation for services outside the scope of the usual functions of a director.

At the time of issuing this report, no supplementary remuneration is expected to be accrued by the directors as compensation for services outside the scope of the usual functions of a director, other than that corresponding to the consultancy contract between William Blaine Richardson and the Company, by means of which he received the amount of 303,436.85 euros for fiscal year 2019 and with respect to which no significant change is expected for fiscal year 2020.

- Other items of remuneration including any derived from the company granting directors advance payments, loans, guarantees or other remuneration.

At the date of this report, no remuneration has been provided to directors by way of loans, advance payments, guarantees or similar.

- The nature and estimated amount of any other supplementary remuneration expected to be accrued by directors during the current fiscal year and which is not included in the sections above, whether paid by the entity or another entity within the group.

There is no supplementary remuneration which is not included in the sections above.

A.2 Explain any significant change in the remuneration policy applicable to the current fiscal year as a result of:

- A new policy or a change to a policy already approved by the board.
- Significant changes in the specific determinations for the current remuneration policy established by the board for the fiscal year in progress, with respect to those applied during the previous fiscal year.
- Any proposals that the board of directors has agreed to submit to the general meeting of shareholders at which this annual report will be submitted that are applicable to the current fiscal year.

The Company's Board of Directors has plans in fiscal year 2020 to approve an update of the new Directors' Remuneration Policy for fiscal years 2019-2021. Therefore and within the framework of the provisions to this effect in point 5(iii) of the Directors' Remuneration Policy for fiscal years 2019-2021, the Board of Directors is finalising a proposal for a Long-Term Variable Remuneration Plan for Executive Directors, with the aim of

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

promoting reciprocal value creation for the Company, its shareholders and beneficiaries, strengthening the commitment of the latter and rewarding the creation of sustainable value for shareholders over the long term. This will be submitted for approval at the Company's 2020 Annual General Meeting of Shareholders.

A.3 Provide a direct link to the document which includes the company's current remuneration policy, which should be available on the company's website.

Spanish: https://www.tecnicasreunidas.es/wp-content/uploads/2020/01/19_TR_JG19_PRC.pdf

English: https://www.tecnicasreunidas.es/wp-content/uploads/2020/01/19_TR_JG19_PRC_EN.pdf

A.4 Taking into account the data provided in Section B.4, explain the outcome of the shareholders' advisory vote at the company's annual general meeting on the annual report on remuneration for the previous fiscal year.

As shown in Section B.4, the advisory vote at the Company's Annual General Meeting on the Annual Report on Remuneration for the previous year resulted in only 0.39% votes against and 0% abstentions. It is therefore assumed that the large majority of the Company's shareholders approve the remuneration scheme implemented by Técnicas Reunidas for its directors. This was also reflected in the result of the vote on the new Directors' Remuneration Policy for fiscal years 2019-2021, which was put to the vote at the General Meeting for fiscal year 2019 and which was approved with 99.59% of votes in favour.

On the basis of the above, the Company will continue to apply the remuneration scheme and principles set out in the current Directors' Remuneration Policy.

B. OVERVIEW OF IMPLEMENTATION OF THE REMUNERATION POLICY DURING THE LAST FISCAL YEAR

B.1 Explain the process used to implement the remuneration policy and to determine the individual remuneration detailed in Section C of this report. This information should include the role of the remuneration committee, the decisions taken by the board of directors and, where applicable, the identity and role of any external consultants whose services have been used in the process of implementing the remuneration policy during the last fiscal year.

Within the framework of functions assigned to it by both the Articles of Association and the Regulations of the Board of Directors, the Company's Appointments and Remuneration Committee is the body responsible for assisting the Board of Directors in matters of remuneration.

Specifically, in compliance with the provisions of Article 14(2) of the Regulations of the Board of Directors, the Appointments and Remuneration Committee reports to the Board of Directors on the remuneration schemes and the amount of annual remuneration for directors and senior management, which is submitted to the Board of Directors for approval as appropriate.

During fiscal year 2019, the Appointments and Remuneration Committee met on several occasions to discuss matters related to directors' remuneration. In specific terms, at its meeting on 26 February 2019, the Appointments and Remuneration Committee assessed the degree of fulfilment of the conditions for variable remuneration for executive directors. At its meeting on 13 May 2019, it proposed submitting for approval at the Annual General Meeting the figure of €6,000,000 as the maximum total gross amount of annual remuneration for Company directors for their service in their capacity as directors, and proposed other items including the criteria for distribution of this maximum amount among the directors for fiscal year 2019, before reviewing the terms of executive directors' contracts.

During fiscal year 2019, the Company has received external advice from Ernst & Young. Ernst & Young were involved in the design of the Directors' Remuneration Policy for 2019-2021 and the Long-Term Variable Remuneration Plan for Executive Directors, as well as the drawing up of the Review Plan for Executive Directors' Contracts.

By virtue of Article 22 of the Articles of Association and Article 25 of the Regulations of the Board of Directors, the Company's Board of Directors is expressly assigned the responsibility for determining the form and time of payment for each fiscal year and establishing the distribution between its members of the total amount corresponding to the remuneration provided for in the Articles of Association. Likewise, in accordance with Article 529.novodecies of the Spanish Companies Act, during fiscal year 2019 the Board of Directors drew up the Directors' Remuneration Policy for fiscal years 2019-2021. This was submitted for approval at the Company's Annual General Meeting of Shareholders on 26 June 2019, following a favourable specific report from the Appointments and Remuneration Committee and approval by this corporate body on 13 May 2019.

Within the framework of these powers and, where appropriate, following the proposals or recommendations of the Appointments and Remuneration Committee, Técnicas Reunidas' Board of Directors agreed on 23 May 2019 to propose to the General Meeting of Shareholders that the maximum total gross amount of annual remuneration for Company directors for their service in their capacity as directors be set at €6,000,000 and, following approval of this maximum gross amount at the Annual General Meeting, agreed on 26 June 2019 to approve the criteria for distribution among the directors for fiscal year 2019.

B.2 Explain the different actions taken by the company in relation to the remuneration scheme and how these have contributed to reducing exposure to excessive risks and adapting the scheme to the company's long-term objectives, values and interests. This includes, where applicable, reference to measures taken to ensure that the company's long-term results are taken into account in the remuneration accrued and that an appropriate balance is reached between the variable and fixed remuneration components, measures taken in relation to any categories of personnel whose professional activities have a material impact on the company's risk profile and measures to prevent any conflicts of interest.

During the process of drawing up and approving the directors' remuneration schemes, the Company introduced measures to control the risks associated with their activities and to adapt these schemes to the Company's long-term objectives, values and interests. The Appointments and Remuneration Committee is responsible for the supervision and ongoing review of the directors' remuneration policy, since it is responsible for reporting on the schemes and the amount of annual remuneration for directors and senior management and for compiling the information to be included in the annual public report on directors' remuneration.

At the same time, the Board of Directors is responsible for approving the Company's general strategies and policies and for certain operational decisions, such as the remuneration policy, directors' remuneration and, in the case of executives, additional remuneration for their executive duties and the approval of their contracts and the risk management policy.

As a result of the above, the Company's remuneration schemes for directors are necessarily designed to include measures to control risks, given that (i) directors' remuneration is limited to an annual fixed allocation and to expenses for attending meetings of the Board of Directors and the various committees, whose annual maximum amount is approved at the Annual General Meeting; (ii) variable components of remuneration are restricted to executive directors; and (iii) the Company's current shareholding structure ensures that the interests of the Company and of the executive directors are aligned.

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

In addition, the annual variable remuneration diversifies the remuneration package for the Chairperson and the 1st Deputy Chairperson through the inclusion of a bonus which is supplementary to the fixed remuneration, paid once the fiscal year has ended. The Company considers that this measure ensures a balance between the different forms of remuneration and, at the same time, covers the elements essential to the Company's achievement of its long-term objectives, given that many of its projects have a multi-year implementation period.

In specific terms, the annual variable remuneration is intended to strengthen the director's commitment to the Company and to act as a performance incentive, linking part of their remuneration to the Company's performance and their individual performance. In this regard, the fundamental parameters for the executive directors' variable remuneration include the director's professional performance, the evaluation of the Company's performance, taking into consideration both quantitative objectives, such as the order book and project portfolio, the margin (EBITDA) and consolidated revenue, and non-financial objectives.

With regard to potential conflicts of interest, the Regulations of the Board of Directors, the Internal Code of Conduct in Securities Markets and the Company's Code of Conduct stipulate that any conflicts of interest must be reported to the Board by the parties concerned, who will refrain from involvement in the corresponding transaction.

B.3 Explain how the remuneration accrued during the fiscal year complies with the provisions of the current remuneration policy.

Likewise, provide information on the relationship between the remuneration received by directors and the company's results or other long- and short-term measures of performance, explaining, where applicable, how any fluctuations in the company's performance have impacted on directors' remuneration, including any remuneration due which has been deferred and how this contributes to the company's short- and long-term results.

The remuneration accrued by Company directors during 2019 has complied in all aspects with the current remuneration policy.

In specific terms, during fiscal year 2019, non-executive directors have received the amounts determined in the Remuneration Policy, as detailed in paragraph C.1, i.e., fixed annual remuneration, an annual fixed allocation for chairing the Committees and expenses for attending meetings. In this regard, the total amount accrued in 2019 by the directors for their service in their capacity as directors amounts to 1,808,489.17 euros. This amount therefore complies with the total annual limit of 6,000,000 euros set out in the Remuneration Policy.

At the same time, in accordance with the provisions of the Remuneration Policy, in 2019, the executive directors are eligible for: (i) fixed remuneration of 850,000 euros for the Chairperson and 800,000 euros for the 1st Deputy Chairperson, and annual variable remuneration of up to 550,000 euros for the fulfilment of objectives, which may be adjusted by 10% upward or downward, based on the director's individual performance.

With respect to the variable remuneration for executive directors, at its meeting on 25 February 2020, the Appointments and Remuneration Committee assessed the degree of fulfilment of the conditions for variable remuneration for executive directors included in the Company's 2019-2021 Remuneration Policy. The fundamental criterion in this assessment is the evaluation of the Company's performance, taking into account the following aspects:

Quantitative targets (80 % of total variable remuneration).

- Contract awards: 30% of total variable remuneration.
- Margin (EBITDA): 30% of total variable remuneration.
- Consolidated revenue: 20% of total variable remuneration.

Non-financial targets (HSE) (20% of total variable remuneration):

- Safety (10% of total variable remuneration).
- Environment (10% of total variable remuneration).

Following the application of the above criteria, and the weighting of the information received, the Appointments and Remuneration Committee unanimously determined that the targets had been met to an average degree of 95% and, therefore, the payment to the executive directors, José Lladó Fernández Urrutia and Juan Lladó Arburúa, of 95% of the variable remuneration, amounting to 522,500 euros each, amount that must be adjusted for the Vice Chairperson I, the 10% expected in the provisions of the Company's Remuneration Policy, so his variable retribution is therefore 577,500 euros.

B.4 Provide information about the outcome of the advisory vote at the annual general meeting on the annual report on remuneration for the previous fiscal year, indicating the number of votes cast against.

	Number	% of total
Votes cast	33,706,860	100.00

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

	Number	% cast
Votes against	132,516	0.39
Votes in favour	33,574,344	99.61
Abstentions		0.00

Additional information

B.5 Explain how the fixed components accrued during the fiscal year by directors in their capacity as such were determined, and how they have changed with respect to the previous year.

For fiscal year 2019, a maximum total amount of 6,000,000 euros was approved at the Company's Annual General Meeting of Shareholders on 26 June 2019. The Board of Directors agreed on the following distribution among the different members of the Board of Directors, the Audit and Control Committee, the Appointments and Remuneration Committee and the Risk and Treasury Committee:

- Membership of the Board of Directors: 55,478 euros a year.
- Serving as Chairperson of the Audit and Control Committee, the Appointments and Remuneration Committee or the Risk and Treasury Committee: 15,384 euros a year.
- Expenses for attending a meeting of the Board of Directors: 3,500 euros.
- Expenses for attending a meeting of the Audit and Control Committee: 3,500 euros.
- Expenses for attending a meeting of the Appointments and Remuneration Committee: 5,000 euros.
- Expenses for attending meetings of the Risk and Treasury Committee: 6,000 euros each quarter.

In addition, the fixed annual allocation applicable to Adrian Lajous Vargas for his membership of the Board of Directors amounted to 200,000 euros. This different fixed annual allocation for Adrian Lajous Vargas is justified by objective circumstances linked to the specific contributions that Adrian Lajous Vargas can make in the undertaking of the Boards' inherent functions, by reason of his professional qualifications and experience. As can be seen from his curriculum vitae, which is available on the Company's website, the special circumstance of his residence in Mexico and his unique qualifications and personal experience in the energy sector's international sphere, particularly in Latin America, provide extraordinary added value to his membership of the Company's Board of Directors. In this regard, his vision as a director is considered highly valuable, not only with respect to the functions of the Board in general, but particularly in relation to the Company's strategic direction, given his international experience.

This distribution is the same as that approved by the Board of Directors for fiscal year 2018, and has not, therefore, changed with respect to the previous year.

B.6 Explain how the salaries earned for the performance of management duties during the last fiscal year were determined for each executive director, and how they have changed with respect to the previous year.

The salaries earned by each executive director during fiscal year 2019 for the performance of management duties amount to 1,407,731.88 euros in the case of the Chairperson (850,000 euros in fixed remuneration, 522,500 euros in variable remuneration and 35,231.88 euros in life insurance contributions) and 1,381,828.72 euros in the case of the 1st Deputy Chairperson (800,000 euros in fixed remuneration, 577,500 euros in variable remuneration and 4,078.72 euros in life insurance contributions). These amounts correspond to the provisions of the Directors' Remuneration Policy approved at the General Meeting of Shareholders on 26 June 2019.

These salaries have not changed with respect to those earned during fiscal year 2018.

B.7 Explain the nature and the main characteristics of the variable components of the remuneration schemes for the last fiscal year.

Specifically:

- Identify each of the remuneration plans determining the different items of variable remuneration accrued by each director during the last fiscal year, including information on their scope, date of approval, date of implementation, accrual periods and validity, criteria used for the performance evaluation and how this has impacted on the determination of the variable amount accrued, as well as the measurement criteria used and the

timeframe required to ensure that all the stipulated conditions and criteria can be adequately measured.

In the case of share option plans or other financial instruments, the general characteristics of each plan should include information on the conditions which must be met to acquire unconditional ownership (vesting) and to be able to exercise these share options or financial instruments, including the exercise price and timeframe.

- Identify each director and their category (executive director, external shareholder director, independent external director, or other external director) who is a beneficiary of remuneration schemes or plans which incorporate variable remuneration.
- Where applicable, provide information on any accrual periods or postponement of payment applied and/or any non-availability/retention periods for shares or other financial instruments.

Explain the short-term variable components of the remuneration schemes.

For 2019 there are two variable remuneration plans with similar content, applicable to the Company's Chairperson and 1st Deputy Chairperson in their capacity as executive directors. These plans were approved as part of the Company's Remuneration Policy at the Company's Annual General Meeting of Shareholders on 26 June 2019.

The plans include an annual premium or bonus, with a maximum amount of 550,000 euros for fiscal year 2019, to be paid after fiscal year end, taking the year-end results into consideration.

The basic parameter for variable remuneration is an assessment of the Company's performance, taking into account aspects such as the Company's contracting volume during the fiscal year, the state of the order book, revenue, profits and shareholder remuneration during the fiscal year.

In specific terms, the determination of variable remuneration corresponding to fiscal year 2019 took into account the following aspects:

Quantitative targets (80% of total variable remuneration):

- Contract awards: 30% of total variable remuneration.
- Margin (EBITDA): 30% of total variable remuneration.
- Consolidated revenue: 20% of total variable remuneration.

Non-financial targets (HSE) (20% of total variable remuneration):

- Safety (10% of total variable remuneration).
- Environment (10% of total variable remuneration).

Following the application of the above criteria, and the weighting of the information received, the Appointments and Remuneration Committee unanimously determined that the targets had been met to an average degree of 95% and, therefore, the payment to the executive directors, José Lladó Fernández Urrutia and Juan Lladó Arburúa, of 95% of the variable remuneration, amounting to 522,500 euros each, amount that must be adjusted for the Vice Chairperson I, the 10% expected in the provisions of the Company's Remuneration Policy, so his variable retribution is therefore 577,500 euros.

Explain the long-term variable components of the remuneration schemes.

There is currently no long-term variable remuneration plan applicable to fiscal year 2019, without prejudice to the Long-term Variable Remuneration Plan for Executive Directors, detailed elsewhere in the report, which the Company intends to submit to the Annual General Meeting for consideration by its shareholders during fiscal year 2020 and which, in the event of approval, would be applied retroactively with effect from 1 January 2020.

B.8 Indicate whether there has been any reduction or clawback of specific variable components when, in the first case, they have vested and payment has been deferred or, in the second case, they have vested and been paid, based on data which has subsequently proven to be manifestly misstated. Describe the amounts reduced or reclaimed through the application of the reduction or clawback clauses, the reason for their application and the fiscal years to which they correspond.

The Company has not reduced or reclaimed any variable components during fiscal year 2019.

B.9 Explain the main characteristics of the long-term savings schemes whose amount or annual equivalent cost appears in the tables in Section C, including retirement plans and any other survivor benefits which are financed

either partially or wholly by the company and whether internally or externally provided, indicating the type of plan, whether it is a defined benefit or contribution scheme, the contingencies covered, the conditions governing the vesting of financial rights for directors, and its compatibility with any type of compensation for early termination of the contractual relationship between the company and the director.

The Company confirms that no contribution has been made to the private pension plan of any of its Directors during fiscal year 2019.

B.10 Explain, as applicable, compensation or any other type of payment resulting from either resignation or dismissal, or termination of the contract under its corresponding terms, which has been accrued and/or received by directors during the last fiscal year.

There has been no compensation or any other type of payment of this nature accrued or received during fiscal year 2019.

B.11 Indicate whether there have been any significant changes in the contracts of executive directors performing senior management duties and, where applicable, explain the changes. In addition, explain the main conditions in any new contracts signed with executive directors during the fiscal year, unless these have already been explained in Section A.1.

The contracts of the Company's executive directors have not undergone any changes during fiscal year 2019.

B.12 Explain any additional remuneration paid to directors for special services outside the scope of the usual functions of a director.

Remuneration in kind is available exclusively to executive directors and is limited to life and accident insurance premiums in the total amount of 39,310.60 euros during fiscal year 2019.

B.13 Explain any remuneration deriving from the granting of advance payments, loans and guarantees, indicating the interest rate, main characteristics, amounts repaid and obligations in the form of guarantees undertaken on their behalf.

No payments of this kind have been made.

B.14 Provide a breakdown of the remuneration in kind earned by directors during the fiscal year, with a brief explanation of the nature of the different salary components.

Remuneration in kind is available exclusively to executive directors and is limited to life and accident insurance premiums in the total amount of 39,310.60 euros during fiscal year 2019, 35,231.88 euros correspondent to the Chairperson and 4,078.72 euros correspondent to the 1st Deputy Chairperson.

B.15 Explain the remuneration received by directors in virtue of payments made by the listed company to third-party entities at which directors render their services, when the purpose of these payments is to pay directors for services provided to the company.

No payments of this kind have been made.

B.16 Explain any other component of remuneration besides those above, regardless of its nature or the entity providing it, particularly when it involves a related-party transaction or its issuance distorts the true and fair view of

the total remuneration received by the director.

The Company has signed a consultancy contract with the director William Blaine Richardson, through which he received 303,436.85 euros in 2019.

C. BREAKDOWN OF INDIVIDUAL REMUNERATION PACKAGES FOR EACH OF THE DIRECTORS

Name	Category	Accrual period for FY 2019
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA	Executive chairperson	01/01/2019 to 31/12/2019
JUAN LLADÓ ARBURÚA	Executive deputy chairperson	01/01/2019 to 31/12/2019
JUAN MIGUEL ANTOÑANZAS PÉREZ-EGEA	Other external director	01/01/2019 to 31/12/2019
FERNANDO DE ASÚA ÁLVAREZ	Other external director	01/01/2019 to 31/12/2019
JAVIER ALARCÓ CANOSA	Independent director	01/01/2019 to 26/06/2019
ÁLVARO GARCÍA-AGULLÓ LLADÓ	Shareholder director	01/01/2019 to 31/12/2019
PETRA MATEOS-APARICIO MORALES	Independent director	01/01/2019 to 31/12/2019
JOSÉ MANUEL LLADÓ ARBURÚA	Shareholder director	01/01/2019 to 31/12/2019
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	Other external director	01/01/2019 to 31/12/2019
PEDRO LUIS URIARTE SANTAMARINA	Independent director	01/01/2019 to 31/12/2019
WILLIAM BLAINE RICHARDSON	Other external director	01/01/2019 to 31/12/2019
ADRIÁN RENÉ LAJOUS VARGAS	Independent director	01/01/2019 to 31/12/2019
ALFREDO BONET BAIGET	Independent director	01/01/2019 to 31/12/2019
JOSÉ NIETO DE LA CIERVA	Independent director	01/01/2019 to 31/12/2019
RODOLFO MARTÍN VILLA	Other external director	26/06/2019 to 31/12/2019

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

C.1 Complete the following tables with respect to the individual remuneration packages for each of the directors (including remuneration for performing executive duties) during the fiscal year.

(a) Remuneration from the reporting company:

(i) Remuneration in cash (in thousands of €)

Name	Fixed remuneration	Expenses	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total FY 2019	Total FY 2018
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA	55	7		850	523			35	1.470	1,307
JUAN LLADÓ ARBURÚA	55	32		800	578			4	1.469	1,224
JUAN MIGUEL ANTOÑANZAS PÉREZ-EGEA	55	32							87	112
FERNANDO DE ASÚA ÁLVAREZ	55	32	59						146	183
JAVIER ALARCÓ CANOSA	28	14	20						62	131
ÁLVARO GARCÍA-AGULLÓ LLADÓ	55	32							87	129
PETRA MATEOS-APARICIO MORALES	55	32	71						158	165
JOSÉ MANUEL LLADÓ ARBURÚA	55	32	90						177	162
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	55	32							87	115
PEDRO LUIS URIARTE SANTAMARINA	55	32	71						158	176
WILLIAM BLAINE RICHARDSON	55	32						303	390	398
ADRIÁN RENÉ LAJOUS VARGAS	200	32							232	235
ALFREDO BONET BAIGET	55	32	50						137	64
JOSÉ NIETO DE LA CIERVA	55	32	70						157	65
RODOLFO MARTÍN VILLA	32	18	34						84	

Additional information

(ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at the start of FY 2019		Financial instruments granted during FY 2019		Financial instruments vested during the fiscal year				Instruments matured but not exercised	Financial instruments at the end of FY 2019	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
No data												

Additional information

The Company has no remuneration schemes based on shares or gross profit from vested shares or financial instruments.

(iii) Long-term savings schemes

Name	Remuneration through vesting of rights to savings schemes
No data	

Name	Contributions paid by the company for the fiscal year (thousand €)				Amount of accumulated funds (thousand €)			
	Savings schemes with vested financial rights		Savings schemes with non-vested financial rights		Savings schemes with vested financial rights		Savings schemes with non-vested financial rights	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
No data								

Additional information

The Company has not approved any specific long-term savings schemes for its directors. Nevertheless, the Company's general social benefits system applies to executive directors, which the Company implements in the form of a contracted pension plan. Where appropriate, a supplementary contribution is paid specifically for the Chairperson or 1st Deputy Chairperson in addition to that paid by the executive director, whose amount depends on various factors, such as the employee's seniority in the Company.

The Company confirms that no contribution has been made to the private pension plan of any of its Directors during fiscal year 2019.

(iv) Breakdown of other items

Name	Item	Amount of remuneration
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA	Life insurance and contributions to private pension scheme	35
JUAN LLADÓ ARBURÚA	Life insurance	4
WILLIAM BLAINE RICHARDSON	Consultancy contract	303

Additional information

(b) Remuneration for company directors for their membership of boards of other companies in the group:

(i) Remuneration in cash (in thousands of €)



ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

Name	Fixed remuneration	Expenses	Remuneration for membership of board	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total FY 2019	Total FY 2018
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA										
JUAN LLADÓ ARBURÚA										
JUAN MIGUEL ANTOÑANZAS PÉREZ-EGEA										
FERNANDO DE ASÚA ÁLVAREZ										
JAVIER ALARCÓ CANOSA										
ÁLVARO GARCÍA-AGULLÓ LLADÓ										
PETRA MATEOS-APARICIO MORALES										
JOSÉ MANUEL LLADÓ ARBURÚA										
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE										
PEDRO LUIS URIARTE SANTAMARINA										
WILLIAM BLAINE RICHARDSON										
ADRIÁN RENÉ LAJOUS VARGAS										
ALFREDO BONET BAIGET										
JOSÉ NIETO DE LA CIERVA										
RODOLFO MARTÍN VILLA		42							42	100

Additional information

(ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at the start of FY 2019		Financial instruments granted during FY 2019		Financial instruments vested during the fiscal year				Instruments matured but not exercised	Financial instruments at the end of FY 2019	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousand €)	No. of instruments	No. of instruments	No. of equivalent shares
No data												

Additional information

(iii) Long-term savings schemes

Name	Remuneration through vesting of rights to savings schemes
No data	

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

Name	Contributions paid by the company for the fiscal year (thousand €)				Amount of accumulated funds (thousand €)			
	Savings schemes with vested financial rights		Savings schemes with non-vested financial rights		Savings schemes with vested financial rights		Savings schemes with non-vested financial rights	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
No data								

Additional information

(iv) Breakdown of other items

Name	Item	Amount of remuneration
No data		

Additional information

(c) Summary of remuneration (in thousands of €):

This summary must include all the amounts corresponding to the components of remuneration included in this report which have been accrued by directors, in thousands of euros.

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

Name	Remuneration accrued within the company					Remuneration accrued within companies in the group				
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration through savings schemes	Remuneration through other items	FY 2019 total for the company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration through savings schemes	Remuneration through other items	FY 2019 total for the group
JOSÉ LLADÓ FERNÁNDEZ-URRUTIA	1,470				1,470					
JUAN LLADÓ ARBURÚA	1,469				1,469					
JUAN MIGUEL ANTOÑANZAS PÉREZ-EGEA	87				87					
FERNANDO DE ASÚA ÁLVAREZ	146				146					
JAVIER ALARCÓ CANOSA	62				62					
ÁLVARO GARCÍA-AGULLÓ LLADÓ	87				87					
PETRA MATEOS-APARICIO MORALES	158				158					
JOSÉ MANUEL LLADÓ ARBURÚA	177				177					
FRANCISCO JAVIER GÓMEZ-NAVARRO NAVARRETE	87				87					
PEDRO LUIS URIARTE SANTAMARINA	158				158					
WILLIAM BLAINE RICHARDSON	390				390					
ADRIÁN RENÉ LAJOUS VARGAS	232				232					
ALFREDO BONET BAIGET	137				137					
JOSÉ NIETO DE LA CIERVA	157				157					
RODOLFO MARTÍN VILLA	84				84	42				42
TOTAL	4,901				4,901	42				42



ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF PUBLIC LIMITED COMPANIES

Additional information

D. OTHER RELEVANT INFORMATION

If there are any relevant aspects of directors' remuneration which have not been included in the previous sections of this report but whose inclusion is necessary in order to provide complete and reasoned information on the company's remuneration practices and structure with regard to its directors, provide a brief outline below.

Continuation of Section A.1

Likewise, Company directors with delegated or executive functions will be entitled to receive remuneration comprising the following items of remuneration:

(i) annual fixed remuneration for each director with delegated or executive functions, amounting to 850,000 euros for the Chairperson and 800,000 euros for the 1st Deputy Chairperson; (ii) annual variable remuneration that is intended to strengthen the director's commitment to the Company and to act as a performance incentive, linking part of their remuneration to the Company's performance and their individual performance. The annual variable remuneration will consist of an annual premium or bonus system amounting to a maximum of 550,000 euros for the fulfilment of objectives, which may be adjusted by 10% upward or downward, based on the director's individual performance.

The variable remuneration will be paid after year end and determined taking into account the year end results.

Finally, the Company intends to submit a long-term variable remuneration plan ('LTIP') for executive directors for consideration at the 2020 AGM. This LTIP has been drawn up by the Company's ARC and implements the provisions of point V(III) of the DRP, which stipulates that 'executive directors will be entitled to receive remuneration comprising the following items of remuneration: (...) Long-term variable remuneration with the aim of promoting reciprocal value creation for the Company, its shareholders and beneficiaries, strengthening the commitment of the latter and rewarding the creation of sustainable value for shareholders over the long term. Consequently, while this DRP is in force, executive directors will be entitled to participate in all the long-term variable remuneration schemes, whether cash-based, share-based or linked to share prices, which are approved at the AGM, at the proposal of the BOD and drawn up subject to a report from the ARC'.

The LTIP has been designed in accordance with the precautionary principle and has taken into account current trends in comparable companies and the best practices of various actors in the market.

Note to Sections C.1(a)(i) and C.1(c):

This includes expenses for chairing and attending the Internal Risk and Treasury Committee, comprising directors Petra Mateos-Aparicio Morales, Pedro Luis Uriarte Santamarina, Fernando de Asúa Álvarez, José Manuel Lladó Arburúa, Rodolfo Martín Villa and other managers from the group.

This annual remuneration report was approved by the company's board of directors at its meeting on:

26/02/2020

Indicate whether any directors have either voted against or abstained from voting on the approval of this report.

Yes

No