



**REPORT BY THE AUDIT AND CONTROL  
COMMITTEE ON RELATED-PARTY  
TRANSACTIONS**

FISCAL YEAR 2019

## **1. INTRODUCTION**

In accordance with the provisions of Article 529ter1(h) of Royal Legislative Decree 1/2010 of 2 July, approving the consolidated text of the Companies Act, the approval of related-party transactions is the non-delegable responsibility of the Board of Directors (the 'Board') of Técnicas Reunidas, S.A. (the 'Company'), subject to a favourable report from the Audit and Control Committee (the 'Committee'). Likewise, Article 13.2 of the Regulations of the Board of Directors stipulates that the Committee's responsibilities include *'Reporting to the Board of Directors, in advance of its adoption of the corresponding decisions, on all matters set out in the legislation, the Articles of Association and the Regulations of the Board of Directors and, in particular, on (...) related-party transactions'*. In accordance with this regulation, only transactions which simultaneously fulfil the following three conditions will be exempt from this approval procedure:

- They are carried out under contracts whose terms are standardised and are applied en masse to a large number of clients.
- They involve prices or rates which are established on a general basis for whoever may act as a supplier of the goods or services concerned.
- Their amount does not exceed one per cent of the Company's annual revenue.

Finally, Recommendation 6 of the Good Governance Code for Listed Companies, issued by the National Securities Market Commission on 18 February 2016, sets out that it is advisable that listed companies draw up various reports, including the Committee's report on related-party transactions, and publish these on their website well in advance of the date of the Annual General Meeting.

In compliance with this recommendation, the Committee has prepared this report, which will be duly published on the Company website to coincide with the Annual General Meeting of Shareholders.

## **2. ANALYSIS OF RELATED-PARTY TRANSACTIONS**

The appointment of José Nieto de la Cierva as an external independent director for a term of 4 years was approved at the Company's Annual General Meeting of Shareholders on 27 June 2018. José Nieto de la Cierva is currently the Managing Director of Banco de Sabadell, S.A., an entity with which the Company had signed a number of contracts prior to the appointment of José Nieto de la Cierva as a Company director.

The transactions undertaken by the Company with Banco de Sabadell, S.A. during fiscal year 2019 are as follows:

- a guarantees line in the amount of 47,000 thousand euros, of which the Company has used 22,688.22 thousand euros.
- a syndicated guarantees line in the amount of 30,000 thousand euros, of which the Company has used 29,067.39 thousand euros.
- a credit line in the amount of 5,000 thousand euros, not used by the Company;
- a syndicated credit line in the amount of 5,000 thousand euros, of which the Company used 1,800 thousand euros;
- cash and cash equivalents in current accounts in the amount of 32,323 thousand euros.

During fiscal year 2019, the Company paid fees to Banco de Sabadell, S.A. amounting to 780.50 thousand euros for these items. During the same period, the Company received interest from Banco de Sabadell, S.A. in the amount of 21.59 thousand euros.

With the exception of these transactions with Banco de Sabadell, S.A., during fiscal year 2019, neither Técnicas Reunidas nor the companies belonging to its business group carried out any transaction that might be considered a related-party transaction in accordance with the current legislation, the Articles of Association, the Regulations of the Board of Directors or the Company's other corporate documents.

Specifically, according to the information available to the Committee, the Company has not carried out any significant transactions, by reason of their amount or material relevance - other than those described above with Banco de Sabadell, S.A. - with the Company's significant shareholders, the Company's directors or managers, other companies belonging to the Company's business group that have not been eliminated in the preparation of



the consolidated financial statements and do not form part of the Company's normal business in terms of their purpose and conditions, or any other related party.

In the preparation of this report, the Company consulted with independent external experts Gómez Acebo & Pombo.

### **3. CONCLUSION**

On the basis of the available information, summarised above, the Committee confirms that the only related-party transactions carried out by the Company in fiscal year 2019 were those corresponding to Banco de Sabadell, S.A., operations that, notwithstanding the previous, for corporate purposes, duty of loyalty of the director and potential waivers of the Spanish Corporate Act, the operations of the Company with Banco de Sabadell, S.A. are not considered related-party transactions, for the only purposes of the information that must be reported by the Company on its Annual Corporate Governance Report, these operations must be considered related-party transactions.