

JUSTIFICATION REPORT AND PROPOSAL OF THE BOARD OF DIRECTORS
OF TÉCNICAS REUNIDAS, S.A. REGARDING THE PROPOSED RE-ELECTION
AND APPOINTMENT OF MR. JUAN LLADÓ ARBURÚA AS EXECUTIVE
DIRECTOR

I. Background

1. Mr Juan Lladó Arburúa was appointed executive director of Técnicas Reunidas, S.A. (the “Company”) by resolution of the Annual General Meeting of Shareholders on 29 June 2016, for a period of 4 years, in accordance with the provisions of legislation and the Articles of Association.
2. Under Article 20.1 of the Regulations of the Board of Directors and given the imminent expiry of the term for which Mr Juan Lladó Arburúa was appointed as Company director, the Appointments and Remuneration Committee has assessed the re-election of Mr Juan Lladó Arburúa and his new appointment as executive director.
3. Upon completing the assessment process, the Appointments and Remuneration Committee of the Company considered that Mr Juan Lladó Arburúa has the ideal profile for re-election as executive director of the Company.
4. The Appointments and Remuneration Committee therefore unanimously resolved to favourably report to the Company Board of Directors with regard to the proposal for re-election and appointment of Mr Juan Lladó Arburúa as executive director for submittal to the Company’s Annual General Meeting of Shareholders foreseeably on 25 June 2020.
5. Furthermore, and in accordance with the provisions of Article 529.decies.5 of the revised text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (the “LSC”), the Company Board of Directors, on the basis of the report from the Company Appointments and Remuneration Committee, which it endorses in full and attaches as Annex I, approved this justification report issued to evaluate the proficiency, experience and merits of Mr Juan Lladó Arburúa.

II. Legal aspects

Director category

6. Pursuant to the provisions of Article 529.duodecies.1 of the Spanish

Companies Act, executive directors are those that hold managerial roles in the company or its group, regardless of the legal association held with it.

7. To this regard, Mr Juan Lladó Arburúa performs executive duties delegated in the end by the Board of Directors, and it is planned that he will continue to do so following his re-election and the corresponding resolution from the Board for the delegation of tasks, whereby he should be given executive director status.

Re-election procedure

8. In accordance with that which is provided for under Article 529.decies.4 and 529.quindecies.3.d) of the Spanish Companies Act and Article 19 of the Regulations of the Board of Directors, the re-election and appointment of Mr Juan Lladó Arburúa should be approved at the proposal of the Board of Directors by the Annual General Meeting of Shareholders, following the report of the Appointments and Remuneration Committee.
 9. Furthermore, the re-election proposal must be accompanied by a justification report drawn up by the Board of Directors in which the proficiency, experience and merits of the candidate is assessed, as provided for by Article 529.decies.5 of the Spanish Companies Act.
 10. In turn, Article 19 of the Regulations of the Board of Directors establishes that the Board of Directors, prior to proposing the re-election of directors to the Annual General Meeting, must assess the quality of the work and the dedication to the post of those directors proposed during the preceding mandate. The proposed individual shall abstain in this procedure.
- III. Justification of re-election and appointment. Proficiency, experience and merits of the director
11. Mr Juan Lladó Arburúa is duly proficient and has the experience and merits required to undertake the position of director, as can be clearly deduced from his curriculum vitae, which is attached hereto as Annex II. To this regard, the director has an outstanding academic record and vast professional experience in top-level private financial companies in Spain and abroad.
 12. Specifically, with respect to his academic credentials, Mr Juan Lladó Arburúa holds a BA in Economics from Georgetown University (Washington DC) and an MBA from the University of Texas at Austin.
 13. In terms of his professional career, Mr Juan Lladó Arburúa has extensive

experience in the administration and management of several top-level private companies in Spain and abroad. He has held positions of maximum executive responsibility in several companies such as, for example, Treasurer of Argentaria (1997-1998) or Chairperson of the Spain-China Foundation and Deputy Chairperson of the Company since 1999.

14. In turn, and with regard to the provisions of Technical Guide 1/2019 of the Spanish National Securities Market Commission (CNMV) on appointments and remuneration committees, Mr Juan Lladó Arburúa confirms that fulfils the requirements at present he has the available time necessary to properly undertake his tasks as executive director of the Company.
15. In accordance with the foregoing, the Board of Directors considers that the profile and experience of Mr Juan Lladó Arburúa, in addition to his knowledge of how the Company operates and of its business, and in the light of the positive assessment of the performance of his functions during his previous mandate, makes him the ideal candidate to be re-elected and appointed as executive director of the Company.
16. Likewise, the Board of Directors considers that by re-electing Mr Juan Lladó Arburúa, it will continue to avail of the skills, knowledge, experience and other diverse abilities required to better perform the functions entrusted to him, taking into account all relevant legal criteria and good governance recommendations and avoiding discrimination for whatever reason.

IV. Conclusion

17. In summary, the excellent abilities and qualifications of Mr Juan Lladó Arburúa, as well as his knowledge of economics, administration and management, repeatedly proven in the Company, as well as his professional experience, make him an ideal candidate for re-election and appointment as executive director of the Company.

V. Proposal

Accordingly, in the light of the foregoing and to meet the current needs of the Board of Directors of Técnicas Reunidas, the Board of Directors agrees to submit the following re-election and appointment proposal to the General Meeting of Shareholders of the Company for approval:

“To re-elect and appoint Mr Juan Lladó Arburúa as executive director of the Company for the statutory term of four years, following the report from the Appointments and Remuneration Committee, as well as from the Company Board of Directors”.

Annex I

JUSTIFICATION REPORT DRAFTED BY THE APPOINTMENTS AND
REMUNERATION COMMITTEE OF TÉCNICAS REUNIDAS, S.A. REGARDING
THE PROPOSED RE-ELECTION AND APPOINTMENT OF MR JUAN LLADÓ
ARBURÚA AS EXECUTIVE DIRECTOR

I. Background

1. Mr Juan Lladó Arburúa was appointed executive director of Técnicas Reunidas, S.A. (the “Company”) by resolution of the Annual General Meeting of Shareholders on 29 June 2016, for a period of 4 years, in accordance with the provisions of legislation and the Articles of Association.
2. Under Article 20.1 of the Regulations of the Board of Directors and given the imminent expiry of the term for which Mr Juan Lladó Arburúa was appointed as Company director, the Appointments and Remuneration Committee has assessed the re-election and appointment of Mr Juan Lladó Arburúa as executive director proposed by the Board of Directors.
3. In accordance with the provisions of art. 529.decies.6 of the revised text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (the “LSC”), the Appointments and Remuneration Committee has approved this document issued in relation to the proposal for re-election and appointment of Mr Juan Lladó Arburúa as executive director of the Company.

II. Legal aspects

Director category

4. Pursuant to the provisions of Article 529.duodecies.1 of the Spanish Companies Act, executive directors are those that hold managerial roles in the company or its group, regardless of the legal association held with it.
5. To this regard, Mr Juan Lladó Arburúa performs executive duties delegated by the Board of Directors, and it is planned that he will continue to do so following his re-election and the corresponding resolution from the Board for the delegation of tasks, whereby he should be given executive director status.

Re-election procedure

6. In accordance with that which is provided for under Article 529.decies.4

and 529.quindecies.3.d) of the Spanish Companies Act and Article 17 of the Regulations of the Board of Directors, the re-election and appointment of Mr Juan Lladó Arburúa should be approved at the proposal of the Board of Directors by the Annual General Meeting of Shareholders, following the report of the Appointments and Remuneration Committee.

7. The re-election proposal must be accompanied by a justification report drawn up by the Board of Directors in which the proficiency, experience and merits of the candidate is assessed, as provided for by Article 529.decies.5 of the Spanish Companies Act.
 8. In turn, Article 19 of the Regulations of the Board of Directors establishes that the Board of Directors, prior to proposing the re-election of directors to the Annual General Meeting, must assess the quality of the work and the dedication to the post of those directors proposed during the preceding mandate. The proposed individual shall abstain in this procedure.
- III. Justification of re-election and appointment. Proficiency, experience and merits of the director
9. The Appointments and Remuneration Committee considers that Mr Juan Lladó Arburúa is duly proficient and has the experience and merits required to undertake the position of director, as reflected in his *curriculum vitae*. To this regard, the director has an outstanding academic record and vast professional experience in top-level private financial and new technologies companies in Spain and abroad.
 10. Specifically, with respect to his academic credentials, Mr Juan Lladó Arburúa holds a BA in Economics from Georgetown University (Washington DC) and an MBA from the University of Texas at Austin.
 11. In terms of his professional career, Mr Juan Lladó Arburúa has extensive experience in the administration and management of several top-level private companies in Spain and abroad. He has held positions of maximum executive responsibility in several companies such as, for example, Treasurer of Argentaria (1997-1998) or Chairperson of the Spain-China Foundation and Deputy Chairperson of the Company since 1999.
 12. In turn, and with regard to the provisions of Technical Guide 1/2019 of the Spanish National Securities Market Commission (CNMV) on appointments and remuneration committees, the Appointments and Remuneration Committee analysed all other posts of the candidate and concluded that Mr Juan Lladó Arburúa has sufficient time and availability to properly perform his tasks as executive director of the

Company.

13. In accordance with the foregoing, the Appointments and Remuneration Committee considers that the profile and experience of Mr Juan Lladó Arburúa, in addition to his knowledge of how the Company operates and of its business, and in the light of the positive assessment of the performance of his functions during his previous mandate, makes him the ideal candidate to be re-elected as an executive director of the Company.
14. The Appointments and Remuneration Committee furthermore considers that, with the re-election of Mr Juan Lladó Arburúa, the Board of Directors will continue to avail of the skills, knowledge, experience and other diverse abilities required to better perform the functions entrusted to him, taking into account all relevant legal criteria and good governance recommendations and avoiding discrimination for whatever reason.

IV. Conclusion

15. In summary, in view of the excellent capabilities and qualifications of Mr Juan Lladó Arburúa, as well as his knowledge of economics, administration and management, his dedication to the post in the course of his last mandate in the Company, his professional experience and contribution to the diversity of the Board of Directors, the Appointments and Remuneration Committee unanimously resolves to favourably report to the Board on the proposal for the re-election and appointment of Mr Juan Lladó Arburúa as executive director of the Company, for submittal to the Annual General Meeting of Shareholders to take place foreseeably on 25 June 2020.

Annex II

A) Professional background and biography.

BA in Economics from Georgetown University, Washington DC. MBA.

Master of Business Administration from the University of Texas at Austin.
Deputy Chairperson I of Técnicas Reunidas, S.A. since 1998. Treasurer of Argentaria (1997-1998).

Chairperson of the Spain-China Foundation.

B) Membership of other boards.

Eurocontrol, S.A. (Director).

Master Sociedad Anónima de Ingeniería y Arquitectura, S.A. (Director).

Initec Plantas Industriales, S.A. (Director).

Initec Infraestructuras, S.A. (Director).

Española de Investigación y Desarrollo, S.A. (Director).

Araltec, S.L. (Deputy Chairperson).

Aragonesas Promoción de Obras y Construcciones, S.L. (Deputy Chairperson).

C) Director Category.

Executive director

D) Date of first, and subsequent, appointments as Company director.

First appointment: 10/05/2006 / latest appointment: 29/06/2016.

E) Company shares or share options held.

None.