

JUSTIFICATION REPORT DRAFTED BY THE BOARD OF DIRECTORS OF
TÉCNICAS REUNIDAS, S.A. REGARDING THE PROPOSED RE-ELECTION
AND APPOINTMENT OF Mr PEDRO LUIS URIARTE SANTAMARINA AS AN
EXTERNAL INDEPENDENT DIRECTOR

I. Background

1. Mr Pedro Luis Uriarte Santamarina was appointed external independent 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 Pedro Luis Uriarte Santamarina was appointed as Company director, the Appointments and Remuneration Committee has assessed the possibility of re-electing Mr Pedro Luis Uriarte Santamarina as an external independent director.
3. In this regard, the Committee has taken into account, among other aspects, the fact that the efficiency of the Board of Directors in terms of fulfilling its functions is duly enhanced with the presence of independent directors. Moreover, the latter generally have extensive experience given that they have usually already participated in or been members of other boards of directors, thus enriching the vision that they may have about a particular matter, not to mention the fact that they are professionals with recognised prestige in their area of education and experience. Furthermore, the Code of Good Governance for Listed Companies published by the National Securities Market Commission in February 2015 (the “Code of Good Governance”) recommends that the number of directors be established somewhere between 5 and 15, that the proprietary and independent directors constitute a clear majority over executive directors and that the independent directors make up at least one third of the total board members.
4. Upon completing the assessment process, the Appointments and Remuneration Committee of the Company considered that Mr Pedro Luis Uriarte Santamarina has the ideal profile for re-election as external independent director of the Company.
5. Accordingly, the Appointments and Remuneration Committee unanimously agreed to propose the re-election of Mr Pedro Luis Uriarte Santamarina to the Board of Directors as an external independent director, so that it may in turn, submit the appointment for approval to the Company Annual General Meeting of Shareholders, which is to be held foreseeably on 25 June 2020.

6. Moreover, based on the proposal of the Appointments and Remuneration Committee, attached hereto as Annex I, the Board of Directors of the Company has approved this justification report, that is issued to assess the proficiency, experience and merits of Mr Pedro Luis Uriarte Santamarina.

II. Legal aspects

Director category

7. Under Article 529.duodecies.4 of the Spanish Companies Act (“LSC”), the category of independent directors shall be granted to those appointed who, on account of their personal and professional condition, can undertake their functions without being conditioned by relations with the company or its group, its significant shareholders or its executives. Any person that finds himself/herself in the situation provided for in the aforementioned provision cannot be considered an independent director.

8. In this regard, Mr Pedro Luis Uriarte Santamarina is a person who is unrelated to the Company and who is not in any of the other situations provided for under the aforementioned Article 529.duodecies.4 of the Spanish Companies Act, thereby ensuring that he can undertake his functions without being conditioned by any relations with the Company or its group, significant shareholders or its executives.

Re-election procedure

9. In accordance with that which is provided for under Articles 529.decies.4 and 529.quindecies.3.c) of the Spanish Companies Act and Article 17 of the Regulations of the Board of Directors, the re-election of Mr Pedro Luis Uriarte Santamarina as an external independent director must be proposed by the Appointments and Remuneration Committee to the Board of Directors and approved by the General Meeting of Shareholders of the Company.

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 director 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. Proficiency, experience and merits of the director

11. Mr Pedro Luis Uriarte Santamarina 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. In this regard, the director is endorsed by an excellent academic background and extensive professional experience in the financial and new technologies sectors.
12. Specifically, as regards his academic achievements, Mr Pedro Luis Uriarte Santamarina has a Degree in Economic Sciences and Law from the Deusto Business School in Bilbao.
13. As far as his professional background is concerned, Mr Pedro Luis Uriarte Santamarina has extensive professional experience in the financial and new technologies sectors. Mr Pedro Luis Uriarte Santamarina has 46 years accumulated professional experience: 9 years in the industrial sector, 23 years in the financial sector, 10 years in strategic consultancy and 4 years in public administration, combined with 7 years' experience as a university lecturer. In banking, he was Chief Executive Officer (1984) and Deputy Chairperson (1997) of BBV. After BBV merged with Argentario (1999), he was appointed Chief Executive Officer and Deputy Chairperson of BBVA up to his early retirement in 2001. He was also Deputy Chairperson of the Board of Directors of Telefónica S.A. from 1997 to 2002. Among other professional pursuits at present he is Chairperson of the company Economía, Empresa y Estrategia, S.A.
14. Furthermore, as provided for under Recommendation 25 of the Code of Good Governance, Mr Pedro Luis Uriarte Santamarina has confirmed that he currently has the time available to properly undertake his functions as an independent member of the Board of Directors of the Company.
15. In accordance with the foregoing, the Board of Directors considers that the profile and experience of Mr Pedro Luis Uriarte Santamarina, 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, thereby make him the ideal candidate to be re-elected as an external independent director of the Company.
16. Likewise, the Board of Directors considers that by re-electing Mr Pedro Luis Uriarte Santamarina, 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.

III. Conclusion

17. In fine, the excellent abilities and qualifications of Mr Pedro Luis Uriarte Santamarina, allied to his knowledge of economics, management and international markets, which has been repeatedly accredited throughout his professional career to date, make him the ideal person to be re-elected as an external independent director of the Company.

Annex I

APPOINTMENTS AND REMUNERATION COMMITTEE PROPOSAL
CONCERNING THE RE-ELECTION AND APPOINTMENT OF Mr PEDRO LUIS
URIARTE SANTAMARINA AS AN EXTERNAL INDEPENDENT DIRECTOR OF
THE COMPANY

1. Introduction

In accordance with that which is provided for under Article 529.decies.4 of the Spanish Companies Act and Article 17 of the Regulations of the Board of Directors of Técnicas Reunidas, S.A. (“*Técnicas Reunidas*” or the “*Company*”), the Appointments and Remuneration Committee is responsible for proposing the appointment or re-election of the independent director members of the Board of Directors.

To this end, the Appointments and Remuneration Committee of the Company has taken into account the current make-up of the Board of Directors and considers that it has, as a whole, the knowledge, proficiencies, experience and other diverse characteristics required to effectively manage Técnicas Reunidas activities, and is assured of the full capacity of the Board of Directors to adopt decisions autonomously and independently in the interest of the Company and, therefore, that of all its Shareholders.

Accordingly, and given the imminent expiry of his current mandate as director, the Appointments and Remuneration Committee of the Company has drawn up the following proposal regarding the re-election of Mr Pedro Luis Uriarte Santamarina as a member of the Board of Directors of Técnicas Reunidas as an external independent director.

2. Educational background and professional experience

Mr Pedro Luis Uriarte Santamarina has a Degree in Economic Sciences and Law from the Deusto Business School in Bilbao.

As far as his professional background is concerned, Mr Pedro Luis Uriarte Santamarina has extensive professional experience in the financial and new technologies sectors. Mr Pedro Luis Uriarte Santamarina has 46 years accumulated professional experience: 9 years in the industrial sector, 23 years in the financial sector, 10 years in strategic consultancy and 4 years in public administration, combined with 7 years’ experience as a university lecturer. In banking, he was Chief Executive Officer (1984) and Deputy Chairperson (1997) of BBV. After BBV merged with Argentaria (1999), he was appointed Chief Executive Officer and Deputy Chairperson of BBVA up to his early retirement in 2001. He was also Deputy Chairperson of the Board of Directors of Telefónica S.A. from 1997 to 2002. Among other professional pursuits at present he is Chairperson of the company Economía, Empresa y Estrategia, S.A.

3. Membership of other Boards of Directors

Mr Pedro Luis Uriarte Santamarina is a member of the Board of Directors of Economía, Empresa y Estrategia, S.A. (Executive Chairperson) and of Panda Security, S.L. (Director).

4. Director category

Mr Pedro Luis Uriarte Santamarina is a member of the Board of Directors of Técnicas Reunidas in the category of external independent director under Article 529 duodecies.4 of the Spanish Companies Act.

In this regard, Mr Pedro Luis Uriarte Santamarina is a person who is unrelated to the Company and who is not in any of the other situations provided for under the aforementioned Article 529.duodecies.4 of the LSC, thereby the Committee considers that he can continue to undertake his functions without being conditioned by any relations with the Company or its group, its significant shareholders or executives.

5. Company shares or share options held

Share percentage of the total: 0.018%.

6. Suitability appraisal

The Appointments and Remuneration Committee has assessed the suitability of Mr Pedro Luis Uriarte Santamarina taking into account his knowledge and experience, not to mention his contribution to the diversity of the Board of Directors as a whole, in addition to his willingness and availability to dedicate time to the exercise of the position. In this regard, the Appointments and Remuneration Committee especially values the educational background of Mr Pedro Luis Uriarte Santamarina, his knowledge of economics and law acquired in the course of his professional career to date, as well as his experience in sectors related to the Company's activity and that of its Group, which in this case involve, among others, the financial and new technologies sectors. Moreover, the Committee particularly looks favourably on his knowledge of the Company and its business pursuits, while also positively assessing the performance of his functions during his last mandate.

In turn, under Recommendation 25 of the Code of Good Governance, the Appointments and Remuneration Committee has studied his other professional pursuits and considers that Mr Pedro Luis Uriarte Santamarina has sufficient time available to properly undertake his functions as director of the Company.

In the light of the foregoing, the Appointments and Remuneration Committee considers that Mr Pedro Luis Uriarte Santamarina fulfils the necessary requirements to undertake the position of member of the Board of Directors, taking into account all applicable legal requisites, all within the framework of the selection procedures and criteria established in the Regulations of the



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Board of Directors, and likewise considering good governance recommendations in these matters.

7. Proposal

Accordingly, and to meet the current needs of the Board of Directors of Técnicas Reunidas, the Appointments and Remuneration Committee agrees to submit the following re-election and appointment proposal to the Annual General Meeting of Shareholders of the Company to be held foreseeably on 25 June 2020 for approval:

“To re-elect and appoint Mr Pedro Luis Uriarte Santamarina as external independent director of the Company for the statutory term of four years, at the proposal of the Appointments and Remuneration Committee and following the report of the Company Board of Directors”.

Madrid, 18 May 2020.

Annex

A) Professional background and biography.

He has a Degree in Economic Sciences and Law from the Deusto Business School in Bilbao. He has 46 years accumulated professional experience: 9 years in the industrial sector, 23 in the financial sector, 10 in strategic consultancy and 4 in public administration, combined with 7 years' experience as a university lecturer. In banking, he was Chief Executive Officer (1984) and Deputy Chairperson (1997) of BBV.

After BBV merged with Argentaria (1999), he was appointed Chief Executive Officer and Deputy Chairperson of BBVA up to his early retirement in 2001. He was also Deputy Chairperson of the Board of Directors of Telefónica S.A. from 1997 to 2002. Among other professional pursuits at present he is Chairperson of the company Economía, Empresa y Estrategia, S.A.

B) Membership of other boards.

Economía, Empresa y Estrategia, S.A. (Executive Chairperson).

Panda Security, S.L. (Director)

C) Indication of the director category to which he belongs, as applicable, indicating in the case of proprietary directors, the shareholder he represents or with whom he is related.

External independent director.

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

First appointment: 22/06/2011 / latest appointment: 29/06/2016.

E) Company shares or share options held.

Share percentage of the total share capital: 0.018%.