



**REPORT BY THE BOARD OF DIRECTORS OF TÉCNICAS  
REUNIDAS, S.A. CONCERNING THE PROPOSAL TO AMEND  
THE BYLAWS SUBMITTED TO THE ORDINARY GENERAL  
MEETING OF SHAREHOLDERS UNDER ITEM SIX OF THE  
AGENDA**



**26th May 2021**



TECNICAS REUNIDAS

## **REPORT BY THE BOARD OF DIRECTORS OF TÉCNICAS REUNIDAS, S.A. CONCERNING THE PROPOSAL TO AMEND THE BYLAWS SUBMITTED TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS UNDER ITEM SIX OF THE AGENDA**

### **I. INTRODUCTION AND PURPOSE OF THE REPORT**

Spanish Law 5/2021, of 12 April was recently passed, amending the recast text of the Spanish Corporate Enterprises Act, approved by Spanish Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, as regards the encouragement of long-term shareholder engagement in listed companies -thereby transposing into Spanish national law Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC- (“Spanish Law 5/2021”), which was published on 13 April 2021 in the Spanish Official State Gazette and which, among other matters, added a new article 182 bis to the recast text of the Spanish Corporate Enterprises Act, approved by Spanish Royal Legislative Decree 1/2010, of 2 July (“LSC”) to allow holding General Meetings of Shareholders exclusively by electronic means if such is provided for by the Bylaws and if certain requirements are met. Other matters provided for in the LSC were also amended such as the system governing related-party transactions, the identification of shareholders and the exercise of voting rights, capital increases and preferential subscription rights, the composition of Boards and remuneration for Board Members, among others.

Prior to this on 29 December 2018, the Spanish Official State Gazette published Spanish Law 11/2018, of 28 December, which modified the Spanish Commercial Code, the recast text of the Spanish Corporate Enterprises Act as approved by Spanish Royal Legislative Decree 1/2010, of 2 July, and Spanish Law 22/2015, of 20 July on Account Auditing as concerns non-financial information and diversity (“Spanish Law 11/2018”), which also amended certain articles of the LSC essentially as concerns non-financial information and Board diversity.

The Board of Directors of Técnicas Reunidas, S.A. (the “Company”) has analyzed the aforementioned reforms in order to determine the matters that truly need to or should be expressly added or adapted in the Bylaws and the ones, on the other hand, which do not need to be expressly included in them to the extent that they shall be applied by matter of law. To this end, the Board believes it is appropriate to request approval from the General Meeting of Shareholders to amend certain articles of the Bylaws in order to adapt them essentially to the LSC reforms as introduced by Spanish Law 5/2021 and Spanish Law 11/2018 as well as to include certain technical precisions.

Based on the foregoing and pursuant to the provisions of article 286 LSC, this Report was drawn up by the Company’s Board of Directors at a meeting held on 26 May 2021 to justify the proposed amendments to Articles 6 (“*Capital Increase and Decrease and Issue of Bonds or Other Securities that Recognize Debt*”), 7 (“*Form of the Shares*”), 16 (“*Composition of the General Meetings*”), 17 (“*Proceedings at General Meetings*”), 18 (“*Agenda*”), 20 (“*Additional Functions of Ordinary or Extraordinary*



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*General Meetings of Shareholders*”), 22 (*Requirements, Duration and Appointment of Directors. Remuneration*”), 27 (*Powers of the Board of Directors*”), 29 (*Audit and Control Commission*”), 30 (*Nomination and Remuneration Commission*”), 31 (*Website*) and 33 (*Balance Sheet and Proposed Application of Results*) and the addition of a new Article 17 Bis (*General Meetings Exclusively by Electronic Means*) to the Bylaws.

## **II. JUSTIFICATION FOR THE AMENDMENT PROPOSAL**

### **1. Proposed amendment to Article 6 (*Capital Increase and Decrease and Issue of Bonds or Other Securities that Recognize Debt*) of the Bylaws:**

As concerns shareholders’ preferential subscription rights, the proposal is to delete the specific reference to article 308 LSC and include a general reference to the provisions *“of the Law with respect to the exclusion of preferential subscription rights”*, given that such exclusion is also regulated in other articles of the LSC.

### **2. Proposed amendment to Article 7 (*Form of the Shares*) of the Bylaws:**

The proposal is to adapt and complete Article 7 pursuant to the new regulations established in Articles 497 and 497 bis LSC as worded by Spanish Law 5/2021, concerning the right to know the identity of the Company’s shareholders and ultimate beneficiaries, respectively.

### **3. Proposed amendment to Article 16 (*Composition of the General Meetings*) of the Bylaws:**

As concerns proving ownership of the shares, the proposal is to delete the current reference to showing the certificate of standing at the registered office or entities that are specified in the notice with a reference to *“under the terms provided for by the General Meeting of Shareholders Procedural Rules and the Notice of Meetings”*, considering that showing such certificate is only normally mandatory for physical attendance and not for votes or delegation by electronic means or electronic attendance.

Likewise, the proposal is to add technical precisions to paragraph four of this article in coordination with the possibility of attending Meetings by electronic means as provided for by the Bylaws in effect as well as the proposed inclusion therein of the possibility of holding Meetings exclusively by electronic means.

Finally, as concerns delegating representation by means of remote communication media, the proposal is to delete the requirement of attaching a *“copy in electronic format of the attendance card and authorization, in which the power of representation bestowed is detailed along with the identity of the person represented”*, given that not all electronic delegation systems necessarily require submitting a copy of the card. To this end, the proposal is to leave the wording open so that the Board may determine the specific mechanics thereof in the notice of a meeting in accordance with the technical resources available at any given time.

**4. Proposed amendment to Article 17 (“Proceedings at General Meetings”) of the Bylaws:**

On the one hand, the proposal is to adapt the provisions relating to vote distribution among financial intermediaries to the provisions of Article 524 LSC as worded by Spanish Law 5/2021 and, on the other hand, the proposal is to complete paragraph seven of this article in relation to the ban on shareholders voting in situations of a conflict of interest in order to establish a reference to “*the situations provided for by law with respect to related-party transactions, the approval of which is competence of the General Meeting*”, pursuant to the exception established in Article 529 duovicies.1 LSC, introduced by Spanish Law 5/2021.

Likewise, as concerns voting on proposals relating to items on the Agenda via electronic correspondence or communication with the Company, the proposal is to delete the requirement of attaching “*a copy in electronic format of the attendance card and vote (or along with the voting form provided for such purpose by the Company)*”, given that not all electronic early voting systems necessarily require the submission of a copy of the card. To this end, the proposal is to leave the wording open so that the Board may determine the specific mechanics thereof in the notice of a meeting in accordance with the technical resources available at any given time.

Finally, a technical precision is suggested in paragraph fourteen concerning the possibility of attending Meetings electronically as provided by the Bylaws in effect and the proposed addition thereto of the possibility of holding Meetings exclusively by electronic means in addition to the replacement of the term “*orderly*” with “*appropriate*” in the penultimate paragraph in accordance with Article 182 LSC as worded in Spanish Law 5/2021.

**5. The addition of a new Article 17 Bis (“General Meetings Exclusively by Electronic Means”) to the Bylaws:**

Including the possibility of holding General Meetings exclusively by electronic means is proposed in accordance with the provisions of articles 182 bis and 521.3 LSC, as introduced by Spanish Law 5/2021. This proposal consists of allowing calls for General Meetings to be held with shareholders participating exclusively by electronic means; in other words, without shareholders or their representatives physically in attendance when allowed by applicable regulations.

To this end, the crisis situation deriving from the COVID-19 pandemic has led to an unprecedented promotion of the use of electronic remote communication means for the organization and functioning of capital companies and, in particular, listed companies. The exceptional regulations enacted in 2020 and 2021 in order to overcome the economic and social impact caused by said situation also included measures to facilitate holding meetings of company governing bodies -boards of directors as well as General Meetings of Shareholders- through remote communication means. These measures also included the possibility of holding



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General Meetings exclusively by electronic means without the physical presence of shareholders or their representatives, all with a view to fostering shareholder involvement in corporate life pursuant to the provisions of the Good Governance Code.

Based on the experience implementing these measures during the state of alarm, Spanish Law 5/2021 authorizes the possibility of holding General Meetings exclusively by electronic means in general and without any connection to the exceptional circumstances mentioned without prejudice to guaranteeing full exercise of the corresponding rights by shareholders or their representatives. Thus, Spanish Law 5/2021 included a new article 182 bis in the LSC establishing this provision and added a new section 3 to article 521 LSC. It is a possibility already provided for by other legal systems which has now been established in Spanish law.

Therefore and without prejudice to the fact that the Board of Directors views physical attendance of shareholders or their representatives at General Meetings of Shareholders as the ordinary means for exercising their rights along with the possibility of exercising such rights by remote communication means prior to a meeting, the addition to the Bylaws proposed of the possibility of holding General Meetings with shareholders and their representatives attending exclusively via electronic means may be highly useful in certain situations to facilitate the holding of Meetings. None of the foregoing shall harm shareholders' rights in any way as they may be exercised by the shareholders themselves or their representatives in an equivalent manner as when a General Meeting is held with their physical attendance.

It is hereby placed on the record that, as provided for by article 182 bis of the Spanish Corporate Enterprises Act, the statutory modification authorizing calls for meetings exclusively by electronic means must be approved by the shareholders representing at least two-thirds of the capital present or represented at the meeting.

#### **6. Proposed amendment to Article 18 (“Agenda”) of the Bylaws:**

As concerns matters not included on the Agenda which in general “*may not be handled by the General Meeting*”, the proposal is to complete this reference with the provision “*except in situations expressly provided for by the Law*”, pursuant to the provisions of articles 223, 224 and 238 LSC, which allow proposing the termination of Directors as well as corporate liability action against them all, some or one of them during a General Meeting even if not set forth on the Agenda.

#### **7. Proposed amendment to Article 20 (“Additional Functions of Ordinary or Extraordinary General Meetings of Shareholders”) of the Bylaws:**

The proposal is to complete the powers of the General Meeting of Shareholders, on the one hand, with the “*approval, when appropriate, of the non-financial information statement*” pursuant to the provisions of Article 49.6 of the Spanish Commercial Code as worded by Spanish Law 11/2018 and, on the other hand, with the



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*“approval of related-party transactions, the approval of which is competence of the General Meeting under the terms of the Law”, pursuant to the provisions of Article 529 duovicies, section 1 LSC, introduced by Spanish Law 5/2021.*

**8. Proposed amendment to Article 22 (“Requirements, Duration and Appointment of Directors. Remuneration”) of the Bylaws:**

On the one hand, the proposal is to adapt the third paragraph to the provisions of article 529 bis.1 LSC as worded by Spanish Law 5/2021, which establishes the obligation for the Board of Directors of listed companies to be exclusively comprised of natural persons.

On the other hand, the proposal is to complete the regulation regarding remuneration of directors in their capacity as such, particularly including the obligation that the Nomination and Remuneration Commission previously inform the Board of the establishment of any individual compensation for each director in their capacity as such under the scope of the Bylaws and the compensation policy pursuant to article 529 septdecies.3 LSC.

Finally, the proposal is to complete the antepenultimate paragraph of article 22 concerning the minimum content of the Compensation Policy with a reference that *“the sum of any fixed annual compensation for Directors with executive duties and other legal provisions must be established”* pursuant to article 529 octodecies.2 LSC as worded in Spanish Law 5/2021.

**9. Proposed amendment to Article 27 (“Powers of the Board of Directors”) of the Bylaws:**

As concerns the power of the Board of Directors to determine and approve the corporate social responsibility policy, the proposal is to adapt the name of the policy to the provisions of the current Article 5 of the Board of Directors Procedural Rules pursuant to the term used in Recommendations 53 to 55 of the Good Governance Code for Listed Companies of June 2020, completing it with *“and sustainability”*.

As concerns the power to delete or transfer the company’s website, the proposal is to remove the reference to *“deletion”* thereof (considering that listed companies are required to have a corporate website), expressly including a reference to *“modification”* of the website pursuant to article 11 bis.2 LSC.

Moreover, including the power of the Board of Directors to approve *“related-party transactions under the terms and situations set forth by Law and in accordance with the Company’s internal policies”* pursuant to article 529 ter.1.h) LSC, as worded by Spanish Law 5/2021, is proposed.

Finally, the proposal is to delete the provision set forth in the penultimate paragraph stating that *“the Board of Directors may constitute other Commissions with consultation or advisory duties without prejudice to the fact that they may be exceptionally attributed decision powers”* given that, on the one hand, the power of



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the Board of Directors to constitute advisory Commissions is already established in the prior article of the Bylaws and, on the other hand, the reference that these Commissions may be exceptionally attributed decision powers would make them Delegated Commissions and not merely consultation or advisory Commissions.

**10. Proposed amendment to Article 29 (“Audit and Control Commission”) of the Bylaws:**

Concerning the powers of the Commission, the proposal is to, on the one hand, include the power of “*reporting related-party transactions that must be approved by the General Meeting of Shareholders or Board of Directors and supervising the internal procedure established by the Company for those for which approval is delegated*”, thereby eliminating section (iii) of the current letter h) pursuant to article 529 quaterdecies.4.g) LSC as worded by Spanish Law 5/2021.

On the other hand, the proposal is to complete the Commission’s duty of reporting financial information to the Board the company must periodically make public with also reporting “*the management report which shall include the required non-financial information when applicable*”, pursuant to the provisions of article 529 quaterdecies.4.h) LSC, as worded by Spanish Law 5/2021.

**11. Proposed amendment to Article 30 (“Nomination and Remuneration Commission”) of the Bylaws:**

The duty of “*reporting proposed designations of natural persons that must represent a legal entity Director*” shall be removed pursuant to article 529 bis.1 LSC as worded by Spanish Law 5/2021, which establishes the obligation for the Board of Directors of listed companies to be exclusively comprised of natural persons.

**12. Proposed amendment to Article 31 (“Website”) of the Bylaws:**

In relation to documents the company shall publish on its website for shareholder information, the proposal is to replace the reference to “*relevant facts*” in section 1.1) with “*privileged information and other relevant information*” communicated to the Spanish National Securities Market Commission (CNMV) pursuant to the provisions of articles 226 and 227 in effect of the Spanish Securities Market Act, and pursuant to the procedure for communicating CNMV authorized entity information since 8 February 2020.

Furthermore, the removal of the reference to “*deletion*” of the website is proposed considering that it is mandatory for listed companies pursuant to article 11 bis.1 LSC, expressly including a reference to “*modification*” pursuant to article 11 bis.2 LSC.



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**13. Proposed amendment to Article 33 (“Balance Sheet and Proposed Application of Results”) of the Bylaws:**

The proposal is to complete the provisions concerning the formulation of annual accounts with the provisions set forth in article 253 LSC as worded by Spanish Law 11/2018 with respect to the management report whereby it shall “*include the non-financial information statement when applicable*”.

**III. VOTING SEPARATELY ON ITEMS**

The proposal to amend the Bylaws that is submitted to the General Meeting of Shareholders for approval will be voted on separately, following the provisions of Article 197 bis LSC.

**IV. ANNEX**

The text of the proposed amendment to the current Bylaws is attached as an Annex to this Report with the proposed amendments highlighted.



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**ANNEX**

**Proposed Amendments to the Bylaws**



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**BYLAWS OF TÉCNICAS REUNIDAS, S.A.**

**TITLE I.- NAME, DURATION AND CORPORATE PURPOSE.**

**Article 1.- NAME.**

A Public Limited Company is incorporated with the name of **TECNICASTECNICAS REUNIDAS, S.A.**, which will be governed by these Bylaws and any applicable legal provisions.

**Article 2.- DURATION.**

The Company is incorporated for an indefinite duration.

**Article 3.- ADDRESS.**

The registered address is established in Madrid at Madrid, Avda. de Burgos, 89 – Complejo Adequa – building 6.

The Board of Directors may establish, eliminate or transfer any branches, agencies or delegations in Spain or abroad as deemed convenient and may change the registered address to anywhere within the same national territory.

**Article 4.- CORPORATE PURPOSE.**

The corporate purpose of the Company is as follows:

- a) To design and prepare all kinds of engineering projects and reports for assembling all kinds of factories, plants or industrial or civil installations and to build, supervise and start them up on a “turnkey” basis, including all the necessary services until delivery is made to the customer, all at a lump sum price or by other means of payment or financing.
- b) To plan and prepare technical and economic reports concerning the utilities and costs of any industrial installation.
- c) Technical assistance and management for assembling any factory or industry and to build, perform civil work and structures, prefabricate installations, assemble equipment, electrical installations and instrumentation, including but not limited to all activities of construction supervision, construction management, permanent management, site management, signature of basic and execution projects and safety co-ordination.
- d) Technical assistance for starting up and operating any installation in the initial stages, developing its own processes or granting patents, procedures or techniques of manufacture, if required, and obtaining, as the case may be, all necessary technologies from others necessary for carrying out said services, either under



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license or through any other collaboration agreement with technologists and instructed personnel for the respective works that they must develop in the new industry for them to achieve complete work output, even intervening directly in assembling said factories as a contractor or all or part of the work.

e) To technically assist in the acquisition of all kinds of equipment, materials or tools needed to build these plants, factories or industrial installations and, by way of information only, to deal with the management of the purchase of equipment, materials and the activation of supplies, inspection, transport and delivery of said equipment and material at the plants, either on their own account or for others. To provide suppliers with all the technical information they might need so that the equipment, materials and tools may be done according to specifications. To perform all necessary inspections so that the equipment, materials and tools to be used at the plants may meet the applicable specifications. To attend the dispatch and delivery of equipment, materials and tools to meet all deadlines and conditions of delivery.

f) The acquisition, disposal, encumbrance and exploitation of all kinds of capital goods, including industrial installations as well as fixed property.

g) The holding of urban and rural fixed property, mines, quarries and industrial premises for their exploitation, use, administration, management, enjoyment or lease.

The listed activities may be also carried out totally or partially by the Company, in Spain or abroad, directly or indirectly by participating in other companies with a similar purpose. All activities are excluded for which the Law has special requirements that are not met by this Company.

## **TITLE II.- SHARE CAPITAL. SHARES.**

### **Article 5.- SHARE CAPITAL.**

The share capital is fixed at €5,589,600, fully subscribed and paid up, represented by 55,896,000 indivisible shares each with a face value of ten Euro cents of the same class and series.

Under the conditions authorized by Law and complying with the formalities provided for modifying the Bylaws, the Company may issue shares that grant certain privileges over the ordinary ones.

When there are partially paid up shares, the shareholder shall pay the unpaid portion, whether in cash or in kind, in the manner and within the term established by the Board of Directors, which under no circumstance shall be longer than 5 years from the date of capital increase resolution. The procedure and other circumstances of payment shall be as established in the capital increase resolution which may set forth that payments shall be through monetary or non-monetary contributions.

**Article 6.- CAPITAL INCREASE AND DECREASE AND ISSUE OF BONDS OR OTHER SECURITIES THAT RECOGNIZE DEBT.**

The Company's capital may be increased or decreased upon a resolution by a legally convened General Meeting of Shareholders with the attendance quorum stipulated by Law. The General Meeting of Shareholders will set the terms and conditions of each new share issue and the Board of Directors shall be authorized to implement any such resolutions. Shareholders shall have a preferential right to subscribe any new shares in proportion to the number of shares held without prejudice to the provisions [in Article 308 of the Capital Companies Act. of the Law concerning the exclusion of preferential subscription rights.](#)

The Company may issue simple, convertible or redeemable bonds or other securities that recognize or create debt such as promissory notes, preferential shares, subordinated debt as well as other negotiable or non-negotiable securities that recognize or create debt other than the foregoing, with or without a guarantee, subject to the legally established limits and conditions.

The Board of Directors will be competent to resolve the issue and admission to trading of bonds as well as the granting of bond issue guarantees.

The General Meeting will be competent to resolve the issuance of bonds that may be converted into shares or bonds attributing bond holders participation in corporate earnings. The General Meeting may delegate this power upon the Board of Directors to issue bonds, as well as authorize the Board of Directors to determine the time when they shall be issued as agreed and establish all other conditions not provided in Board resolution, all subject to any applicable legal limitations. The Board of Directors may make use of said delegation one or more times and for a maximum period of five years.

The right to preferential subscription of the convertible bonds may be suppressed according to the legal and statutory rules applicable.

The Company may also guarantee the issuance of securities by its subsidiaries.

**Article 7.- FORM OF THE SHARES.**

The shares shall be represented by book entries, which shall be governed by the Spanish Securities Market Act and other complementary provisions. Until they are fully paid up, such circumstance must be recorded in the book entry.

These book entries will be kept on behalf of the Company by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) or the entity that replaces it, and its participating entities.



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~~The Company or a third party appointed by it shall have the right to obtain the information legally provided for from the central securities depository to determine the identity of its shareholders in order to communicate directly with them in a view to facilitating the exercise of their rights and involvement in the Company. Likewise, if the entity or person with shareholder status in virtue of the share register is an intermediary institution which holds such shares on behalf of ultimate beneficiaries or another intermediary institution, the Company or a third party designated by it may request identification for the ultimate beneficiaries directly from the intermediary institution or request such indirectly through the central securities depository, all under the terms established by Law.~~

The Company or a third party appointed by it shall have the right to obtain the information legally provided for from the central securities depository to determine the identity of its shareholders in order to communicate directly with them in a view to facilitating the exercise of their rights and involvement in the Company. Likewise, if the entity or person with shareholder status in virtue of the share register is an intermediary institution which holds such shares on behalf of ultimate beneficiaries or another intermediary institution, the Company or a third party designated by it may request identification for the ultimate beneficiaries directly from the intermediary institution or request such indirectly through the central securities depository, all under the terms established by Law.

#### **Article 8.- RIGHTS OF THE SHAREHOLDERS.**

Shares grant their legitimate holders the status of shareholder and attribute the rights recognized in the Law and in these Articles of Association. Each share gives the holder one vote in deliberations during General Meetings of Shareholders.

#### **Article 9.- TRANSFER OF SHARES. CONSTITUTION OF LIMITED RIGHTS IN REM.**

The shares and the economic rights deriving from them, including those of preferential subscription and free assignment, may be transferred through any means allowed by Law.

The transfer of shares shall be through book transfers.

Registration of a transfer on behalf of the acquiring party in the accounting records kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) shall be just as valid as the traditional delivery of share certificates.

The creation of limited rights in rem or any other kind of encumbrance on the shares must be recorded in the relevant accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear).

The registration of a pledge in the corresponding accounting records kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de



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Valores, S.A. (Iberclear) is equivalent to a transfer of possession of the share certificate.

#### **Article 10.- EXERCISE OF SHAREHOLDER RIGHTS AND OBLIGATIONS.**

Shares grant their legitimate holders the powers that derive and the obligations inherent to their status as shareholders. Each shareholder agrees to accept these Bylaws and the resolutions legally adopted by the General Meeting of Shareholders and the Board of Directors, all without prejudice to any corresponding right of challenge and any special terms established by the Spanish Corporate Enterprises Act with regard to the constitution of rights in rem on the shares and the system of treasury shares acquired by the Company.

Any person listed as a legitimate holder in the books kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) will be presumed to be the legitimate holder and may, therefore, demand the benefits of the shares from the Company.

The shares are indivisible. In the case of joint ownership, the joint owners of a share shall be jointly and severally liable towards the Company for any obligations that might be derived from their status as shareholders and must designate a single person to exercise all the rights inherent to their status as shareholders. The identity of such person must be communicated to the Company. Likewise, all shares under joint ownership shall be registered in the corresponding accounting records in the name of all joint owners. This rule shall also apply to other cases of joint ownership of rights to shares. For free loans of shares, the rights inherent to the status of shareholder shall correspond to the lender except for attendance at the General Meeting of Shareholders and voting, which shall correspond to the borrower to whom such powers have been granted. The provisions for representation set forth in article 184 and following of the Spanish Corporate Enterprises Act and other applicable regulations shall apply to the exercise of such free loan rights.

When deemed necessary, the legal basis for a transfer and for the exercise of the rights deriving from the shares or of the limited rights in rem or encumbrances constituted over them may be proven by means of a certificate issued for such purpose by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) or the entity that replaces it or by its participating entities.

#### **TITLE III.- COMPANY ADMINISTRATION.**

##### **Article 11.- COMPANY ADMINISTRATION.**

The governance and administration of the Company corresponds to the General Meeting of Shareholders and the Board of Directors, in accordance with the provisions of these Bylaws.



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## **SECTION ONE.- GENERAL MEETING OF SHAREHOLDERS.**

### **Article 12.- GENERAL MEETING OF SHAREHOLDERS.**

As the expression of the shareholders' will, a duly called and constituted General Meeting of Shareholders shall decide by the majorities required by the law in each case all matters under its competence and all of its resolutions when passed in accordance with these Bylaws and all legal requisites shall be binding for all shareholders, even for those who were absent or voted against them.

### **Article 13.- TYPES OF GENERAL MEETINGS OF SHAREHOLDERS.**

General Meetings of Shareholders may be ordinary or extraordinary. An ordinary meeting is the type that must be called within the first six months of each year to approve, as appropriate, the company management and prior year accounts and decide upon the application of the results.

All other General Meetings of Shareholders shall be considered extraordinary and will be held when called by the governing body whenever in the company's interests and also when (i) requested by a number of shareholders representing at least three per cent (3%) of the share capital and the request includes the matters to be discussed at the General Meeting, proceeding in the manner established by the Spanish Corporate Enterprises Act; or (ii) a takeover bid is lodged on securities issued by the Company, in order to inform the General Meeting of the takeover bid and decide on the matters to be submitted for consideration.

Nonetheless, even if called as ordinary, a General Meeting may also deliberate and decide on any matter of its competence that has been included in the call and in compliance with Article 194 of the Spanish Corporate Enterprises Act, as appropriate.

### **Article 14.- NOTICE OF MEETINGS.**

The notice, both for ordinary as well as extraordinary General Meetings, shall be made by an announcement published in the Official Trade Register Gazette or one of the most widely circulated daily newspapers in Spain and on the Company's website ([www.tecnicasreunidas.es](http://www.tecnicasreunidas.es)) as well as on the Spanish National Securities Market Commission website the minimum number of days in advance of the date set for the meeting as determined by the law. At its sole discretion, the Board of Directors may publish such a notice through other means, if deemed appropriate, for the purposes of greater dissemination or publication.

The announcement shall include the name of the Company, the date and time of the meeting, the place where it is to be held, whether it is ordinary or extraordinary, the agenda, including all the matters to be discussed in a clear and concise manner and the office of the person or people issuing the call, as well as the date on which shareholders must have registered shares in their name in order to participate and vote at the General Meeting, the place and the way to acquire the full text of the



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documents and proposed resolutions and the address of the Company's website where the information shall be made available. Additionally, the announcement shall include clear and precise information of the actions that shareholders shall take in order to participate and issue their vote at the General Meeting, with the detail required by applicable law. The announcement may also, if appropriate, set forth the date on which the General Meeting shall proceed upon second call. At least 24 hours must pass between the first and the second call. If a duly called General Meeting is not held upon first call and no date is indicated in the notice for proceeding upon second call, the latter must be announced, subject to the same announcement requirements as the notice of the first meeting, within fifteen days after the date of the meeting not held and at least ten days prior to the date of the planned meeting.

In the event that new matters are included on the Agenda of an Ordinary General Meeting of Shareholders and they are proposed in accordance with the Law by shareholders who represent at least three percent (3%) of the share capital, an addendum to the announcement must be published to include the new matters on the Agenda provided the new items are accompanied by justification or, if appropriate, a justified proposed resolution. This addendum shall be published a minimum of fifteen days in advance of the date established for the Ordinary General Meeting. A lack of publication is cause for challenging a General Meeting. This right of the shareholders who represent at least three percent (3%) of the share capital to request the inclusion of new matters on the Agenda must be exercised by means of reliable notification that must be received at the registered address within five days following the publication of the most recent announcement of the call for the meeting. This right may not be exercised for extraordinary meetings under any circumstance.

Shareholders who represent at least three percent (3%) of the share capital are entitled to submit grounded draft resolutions on matters already included or which must be included on the agenda of the meeting called.

General Meetings shall be held in the municipality where the Company has its registered address. Nevertheless, the Board of Directors may resolve that the General Meeting be held in any other place within Spanish territory when it deems appropriate to facilitate the holding thereof and when such circumstance is indicated in the announcement. If the location of the General Meeting does not appear in the announcement, it will be understood that the General Meeting will be held at the Company's registered address.

#### **Article 15.- QUORUM.**

In order for ordinary and extraordinary General Meetings to be legally held, the quorum required by the Spanish Corporate Enterprises Act shall apply.



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## **Article 16.- COMPOSITION OF THE GENERAL MEETINGS.**

All shareholders holding 50 or more shares, the ownership of which is registered in the corresponding register at least five days before the day on which the General Meeting is to be held and thus is proven ~~as per the terms of the General Meeting of Shareholders Procedural Rules and the notice of a meeting as per the terms of the General Meeting of Shareholders Procedural Rules and the notice of a meeting~~ may attend the General Meeting in person or through representation by another person, even if such person is not a shareholder. Representation shall be governed by the provisions of the Spanish Corporate Enterprises Act.

Shareholders with less than 50 shares may form groups for the purpose of attending the General Meeting, conferring representation upon one of them.

Shareholders who are natural persons yet are not able to fully exercise their civil rights and legal entity shareholders may be represented by duly accredited legal representatives. Both in these cases as well as when a shareholder delegates their right to attend, having more than one representative at the General Meeting is not permitted.

Representation conferred on a person who is not eligible as per the Law will not be valid or effective. Representation can always be revoked. In order to be subject to objection, the revocation must be communicated to the Company under the same terms set forth for notice of the representative's appointment. Personal attendance of the represented shareholder at a General Meeting either physically or electronically or through remote voting prior to the Meeting automatically revokes any delegation, irrespective of the date thereof. Representation powers also will not be valid if the Company gains knowledge of the disposal of the shares.

When representation is conferred remotely, it will only be considered valid if done:

- a) by means of hand-delivery or postal mail, delivering the attendance card and authorization duly signed to the Company or by another written means approved by the Board of Directors in a resolution adopted for such purpose through which the identity of the shareholder granting representation powers and of the designated delegate may be duly verified, or
- b) by means of electronic correspondence or communication with the Company, including the electronic signature or other form of identification of the shareholder represented, under the terms established by the Board of Directors in a resolution adopted for such purpose in order to equip this system of representation with adequate guarantees of authenticity and identification of the represented shareholder.

In order to be valid, the power of representation conferred by any of the aforementioned means of remote communication must be received by the Company before midnight of the third day before the day established for the General Meeting in the first call. In the resolution calling for the General Meeting in question, the



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Board of Directors may reduce this advance notice required by publishing it in the same manner as the notice of a meeting. Likewise, the Board of Directors may implement the foregoing stipulations referring to the powers of representation granted using remote means of communication.

The power of representation may cover any matters that may be discussed at the General Meeting as permitted by Law even if not on the Agenda in the notice.

If the Directors or any other person on behalf of or in the interest of any of them has filed proxy solicitation, the proxy Director may not exercise the voting rights corresponding to the represented shares on any items on the agenda where there is a conflict of interest unless precise voting instructions were received from the party represented for each one of the such items in accordance with applicable regulations. In any case, and without prejudice to any other presumptions established by law, a Director shall be considered as subject of a conflict of interest in relation to the following decisions:

- Their appointment, re-election or ratification as director.
- Their removal, dismissal or termination as director.
- Any corporate liability action against the director in question.
- The approval or ratification, as applicable, of Company transactions with the director in question, companies they control or represent or parties acting on their behalf.

In such case, the proxy may also cover any items which, although not included on the agenda in the notice of call, are likely to be discussed at the meeting by matter of law. The provisions of the paragraph above shall also apply to these cases.

The Chair, the Secretary of the General Meeting or the persons designated by them will be understood as having the power to determine the validity of the proxy conferred and compliance with the requirements of attendance at the General Meeting.

#### **Article 17.- PROCEEDINGS AT GENERAL MEETINGS.**

The Chair of the Board of Directors, or in their absence, the First or Second Vice-Chair in successive order, will preside over all General Meetings. The Company Secretary, or in their absence, the Vice-Secretary, if there is one, will be the Secretary of the General Meeting. In the absence of both of them, the Chair will appoint another shareholder or representative to act in their place.

The members of the Board of Directors must attend all General Meetings; however, the fact that one of them is unable to attend for some reason will not invalidate the constitution of the General Meeting.

The Chair of the General Meeting may authorize the attendance of any person they deem appropriate. Nonetheless, the General Meeting may revoke any such authorization. The Chair will direct the deliberations and will grant the floor to any



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shareholder who thus requests. Priority to speak will be given to shareholders who have thus requested in writing. Immediately afterwards, anyone requesting the floor will be authorized to speak.

Each of the matters included on the Agenda shall be discussed and voted upon separately and, in order to be valid, all resolutions must be passed by a simple majority of the shareholders present or represented (understood as passed when there are more yeas than nays) unless a different majority is required by law for some type of specific resolution.

~~The vote may be broken up so that the financial intermediaries that are legitimated as shareholders but act on behalf of different clients may cast their votes as instructed to do so. Votes may be broken up so that the intermediary entities listed as legitimate shareholders in virtue of the share register yet act on behalf of various ultimate beneficiaries may cast their votes as instructed to do so.~~

For each resolution submitted to a vote, the General Meeting must determine, at least, the number of shares with respect to which valid votes have been cast, the proportion of the share capital represented by such votes, the total number of valid votes, the number of votes for and against each resolution and, as applicable, the number of abstentions. The resolutions passed and the result of the voting shall be published in full on the company website within five days following the end of the General Meeting.

A shareholder shall not exercise the voting rights corresponding to their shares when the resolution to be passed releases said shareholder from an obligation or grants said shareholder some kind of right providing any type of financial assistance including the provision of guarantees in their favor, ~~or~~ exempts such shareholder from obligations deriving from the duty of loyalty or in the cases provided for by law with respect to related-party transactions, the approval of which is the competence of the General Meeting.

The shares of a shareholder in a situation of conflict of interest as mentioned in the paragraph above shall be deducted from the share capital when calculating the vote majority necessary in each case.

Shareholders with attendance rights due to holding at least 50 shares or having grouped with others with whom they jointly hold at least 50 shares as per the terms of article 16 above may cast their vote on the proposals concerning the items on the Agenda of any General Meeting by:

a) hand-delivery or postal mail, delivering the attendance card and the duly signed vote to the Company (along with the voting form provided by the Company, as applicable) or another written means approved by the Board of Directors in a resolution adopted for such purpose through which the identity of the shareholder exercising their right to vote may be duly verified, or



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b) electronic correspondence or communication with the Company, including the electronic signature or other form of identification of the shareholder, under the terms established by the Board of Directors in a resolution adopted for such purpose in order to equip such voting system with adequate guarantees of authenticity and identification of the voting shareholder.

In order to be valid, a vote cast by any of the aforementioned means must be received by the Company before midnight of the third day before the day established for the General Meeting in the first call. In the resolution calling for the General Meeting in question, the Board of Directors may reduce this advance notice required by publishing it in the same manner as the notice of a meeting.

Any shareholders casting their vote remotely under the terms indicated in this article will be considered present for the purposes of the constitution of the General Meeting in question. As a result, any proxy made prior to such vote being casted will be understood as revoked and those conferred thereafter will be deemed invalid.

All votes cast remotely as mentioned in this article will be voided if the casting shareholder attends the meeting physically or electronically.

The Board of Directors may further develop the above provisions by establishing the instructions, rules, means and procedures for casting votes and granting representation powers by remote means of communication, in accordance with the state of the art and any rules that may be passed for such purpose as well as the provisions of these Bylaws.

All implementing rules adopted by the Board of Directors under the provisions established herein will be published on the Company website. Likewise, in order to avoid possible duplication, the Board of Directors may take all necessary measures to ensure that whomever casts a vote remotely or delegates representation powers is duly authorized to do so pursuant to the provisions of these Bylaws.

Without prejudice to the above provisions, the Company may authorize real-time electronic General Meetings and attendance using any means which duly guarantees the person's identity, as well as electronic voting during the General Meeting providing that such is possible given the current state of technology and such is approved by the Board of Directors. In such case, the notice of meeting shall detail the deadlines, forms and means for exercising shareholder rights as stipulated by the Board of Directors to enable the General Meeting to be conducted in an adequate manner.

The General Meeting of Shareholders Procedural Rules may assign the Board of Directors the power to regulate any procedural aspects necessary in accordance with the law, the Bylaws and the General Meeting of Shareholders Procedural Rules.



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**Article 17 BIS. GENERAL MEETINGS EXCLUSIVELY BY ELECTRONIC MEANS.**

A General Meeting may be called to be held exclusively by electronic means and, therefore, without the physical attendance of the shareholders, their representatives and, where appropriate, the members of the Board of Directors when thus allowed by applicable regulations.

A General Meeting held exclusively electronically shall comply with all legal and statutory regulations and shall be conducted as per the General Meeting of Shareholders Procedural Rules. In any case, such a meeting shall be subject to duly guaranteeing the identity and legitimacy of the shareholders and their representatives and ensuring that all attendees may effectively participate in the meeting using the remote means of communication allowed by the notice of the meeting both in order to exercise the corresponding rights to speak, information, proposal and voting in real time as well as to hear all other attendees speak using the means indicated considering the state of technology and the Company's circumstances, all pursuant to applicable regulations.

**Article 18.- AGENDA.**

The Agenda for a General Meeting must be prepared by the Board of Directors. Any matter not included on the Agenda may not be discussed at the General Meeting except in the situations expressly provided for by Law. However, the Board of Directors or any person or people appointed to prepare the Agenda must include any matter legally proposed by shareholders representing at least three percent (3%) of the share capital. Any matter directly related to the items on the Agenda will be subject to voting.

**Article 19.- FUNCTIONS OF ORDINARY GENERAL MEETINGS OF SHAREHOLDERS.**

An Ordinary General Meeting of Shareholders will be qualified for:

- a) The approval, if appropriate, of the company management.
- b) The approval, if appropriate, of the prior year's annual accounts.
- c) The application of the results.

**Article 20.- ADDITIONAL FUNCTIONS OF ORDINARY OR EXTRAORDINARY GENERAL MEETINGS OF SHAREHOLDERS.**

Without prejudice to the powers attributed expressly by the Spanish Corporate Enterprises Act, any General Meeting of Shareholders will be qualified for:

- a) The approval of the annual accounts, the application of the results and the approval of company management.



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- b) The approval, where appropriate, of the non-financial information statement.
- c) The appointment, re-election and dismissal of Directors, as well as the ratification of the Directors designated by co-option.
- d) The approval of the Directors remuneration policy.
- e) The approval of the establishment of compensation systems for the Company's Directors consisting of the delivery of shares or rights to them or referenced against the value of the shares.
- f) Exempting the Directors of the prohibitions deriving from their duties of loyalty when authorization shall be legally granted by the General Meeting of Shareholders as well as from any non-compete obligation with the Company.
- g) The appointment, re-election and dismissal of account auditors.
- h) Amendments of these Bylaws.
- i) Capital increases and decreases.
- j) Delegating to the Board of Directors the power to increase the share capital, in which case the power to exclude or limit preferential subscription rights may also be attributed as per the provisions of the law.
- k) Delegating to the Board of Directors the power to execute a capital increase approved by a General Meeting of Shareholders within the periods provided for by law, indicating the date(s) of the execution thereof and determining the conditions of the increase for all matters not provided for by the General Meeting of Shareholders.
- l) Exclusions or limitations of preferential subscription rights.
- m) Authorizing the derivative acquisition of treasury shares.
- n) The transformation, merger, de-merger or global assignment of assets and liabilities and the transfer of the registered address abroad.
- o) The dissolution of the Company and the appointment and dismissal of liquidators.
- p) The approval of the final liquidation balance.
- q) The issuance of bonds that may be converted into shares or bonds attributing bond holders participation in corporate earnings and the delegation of the power to issue such bonds to the Board of Directors as well as exclude or limit preferential subscription rights as per the provisions of the law.



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- r) Liability actions against Directors, account auditors and liquidators.
- s) The approval and modification of General Meeting of Shareholders Procedural Rules.
- t) The transfer of essential activities to dependent entities which had been developed up to such time by the Company even though the latter shall maintain full ownership thereof.
- u) The acquisition, disposal or contribution of essential assets from/to another company.
- v) The approval of related-party transactions, the approval of which corresponds to the General Meeting under the terms set forth by Law.
- w) The approval of transactions, the effect of which is equivalent to the Company's liquidation.

The General Meeting of Shareholders shall also resolve on any other item that the Board of Directors or the shareholders may submit for consideration under the terms and subject to the requirements established by the law or internal Company policies.

A General Meeting of Shareholders may only issue instructions to the Board of Directors or request authorization for the adoption by said body of decision on matters of management through resolutions that comply with the requirements of information and majority for statutory modifications.

#### **Article 21.- MINUTES.**

Minutes will be issued for all ordinary and extraordinary General Meetings and they must be signed by the Chair and Secretary and included in the Company Minutes Book. These Minutes may be approved at the discretion of the General Meeting in any of the forms provided for in Article 202 of the Spanish Corporate Enterprises Act.

#### **SECTION TWO.- BOARD OF DIRECTORS.**

#### **Article 22.- REQUIREMENTS, TERM OF OFFICE AND ELECTION OF BOARD MEMBERS. COMPENSATION.**

The Company shall be governed and administered by a Board of Directors, subject to the competences reserved for the General Meeting of Shareholders. The Board of Directors shall perform its duties with unity of purpose and independently of the Company Management, treating all shareholders equally and guided by the Company's interests which shall be understood as sustainably achieving the highest economic value for the Company.



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The Board of Directors shall be formed by two different types of members: executive and external, and within the latter, proprietary and independent, pursuant to applicable laws and the rules of good governance in effect at any given time. In exceptional cases, non-proprietary or independent people may be appointed as Directors according to the rules and recommendations of good governance applicable at any given time and provided they are not considered executives in accordance with said rules and recommendations.

Persons appointed as Directors must be of good repute and must have the knowledge and experience necessary to perform their duties. They must also satisfy the requirements of the law as well as those stipulated in these Bylaws and the Company's other regulations.

In the proposed appointments raised to the General Meeting of Shareholders, the Company Board of Directors will ensure as far as possible that the composition of the Board of Directors should allow the number of external or non-executive members to constitute a broad majority over that of executive members.

The Directors will hold office for a term of four years, unless they are removed by the General Meeting of Shareholders. They may be re-elected one or more times for the same period.

All Board Members ending their mandate or resigning from office for any other reason may not be a Director or hold executive positions in any other entity that has the same corporate purpose as that of the Company for a period of two years. If deemed appropriate, the Board of Directors may do away with this obligation for the outgoing Director or shorten the duration of the prohibition.

Members of the Board of Directors will receive compensation for their offices on the Board of Directors and related Commissions comprised of the following items: (i) a fixed annual allocation for holding office on the Board of Directors; (ii) an additional fixed annual allocation for chairing any delegated or advisory Commissions to which they belong; and (iii) expenses for effectively attending meetings of the Board of Directors and any delegated or advisory Commission to which they belong.

~~The Board of Directors shall determine yearly the way and time of payment and the distribution among the members of the Board of Directors of the global amount correspondent to the remuneration mentioned below. The distribution could be individualized according to the objective roles, duties and responsibilities which the Board deems appropriate.~~

The Board of Directors shall determine for each financial year the manner and time of payment as well as establish the individual compensation for each Director following a report from the Nomination and Remuneration Commission based on the concepts provided for in the paragraph above, the statutory framework and remuneration policy in addition to considering the duties and responsibilities assigned to each Director, whether or not they are assigned to a Board Commission, and other objective circumstances that may be considered relevant by the Board of Directors.



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In addition, directors may be remunerated by the award of Company shares, share options or remuneration linked to the value of the shares. This remuneration must be agreed at the General Meeting and the corresponding resolution must include the maximum number of shares that may be awarded in each fiscal year under this remuneration scheme, the directors to whom it applies, the exercise price or the system for calculating the exercise price of share options, the value of any shares used as references and the duration of the plan.

In addition to the provisions above, Directors with executive functions assigned through any position will receive remuneration for the performance of these functions, which will be determined by the Board on the basis of the following items: (i) a fixed component, appropriate to the services and responsibilities assumed; (ii) an annual variable component, correlated to a performance indicator for the director or Company; (iii) long-term variable remuneration, correlated to a performance indicator for the director or Company; (iv) a benefit component, which can include welfare and insurance schemes and, where appropriate, Social Security schemes; (v) the award of Company shares, share options or other remuneration linked to the value of the shares; (vi) remuneration in kind linked to the provision of services inherent in the performance of their functions; and (vii) compensation in the event of removal or any other form of termination of the legal relationship with the Company which is not due to non-compliance attributable to the director, exclusivity agreements, post-contractual non-compete agreements and/or length of service or loyalty agreements.

The remuneration of Directors with executive functions with respect to the items of remuneration described above must conform to the Directors' Remuneration Policy approved at the General Meeting. In addition, the items of remuneration applicable to Directors with executive functions must be stipulated in the contract between the Director and the Company under the legally established terms. A Director may not receive any remuneration of any kind for the performance of executive functions, the quantities or concepts of which are not provided for in said contract or in the Directors' Remuneration Policy, [which must establish the sums and fixed annual compensation for all Directors with executive functions and other provisions established by the law.](#)

The maximum amount of annual remuneration for all Directors, both for their membership of the Board of Directors and its Commissions and for their executive duties, must be approved by the General Meeting either by express agreement in this regard or by approving the Directors' Remuneration Policy and will remain in force as long as the General Meeting does not resolve its modification, and may be updated based on the indexes or magnitudes that the General Meeting itself defines.

The Company shall be entitled to contract civil liability insurance.



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**Article 23.- NUMBER OF BOARD MEMBERS.**

The Board of Directors shall be comprised of at least 7 and at most 15 members with the General Meeting of Shareholders deciding upon the actual number.

**Article 24.- TERMINATION OF BOARD MEMBERS.**

All Directors shall be terminated from office upon expiration of the term for which they are elected as well as upon their death, resignation, incapacity or removal as agreed by a General Meeting of Shareholders.

**Article 25.- CHAIR, VICE-CHAIR AND SECRETARY. DELEGATION OF POWERS**

The Board of Directors shall choose a Chair and one or more Vice-Chairs from among its members.

The Chair is the highest authority responsible for the effective functioning of the Board of Directors. In any case and without prejudice to the powers granted by the law, these Bylaws and the Board of Directors Procedural Rules, they will have the following powers: (a) to convene and chair meetings of the Board of Directors, setting the agenda for the meetings and leading its discussions and deliberations; (b) to chair the General Meeting of Shareholders, unless expressly decided otherwise; (c) to ensure that the directors receive sufficient information in advance of meetings to be able to discuss the items on the agenda; and (d) to encourage debate and directors' active participation during meetings, ensuring their freedom of expression.

The position of Chair of the Board of Directors may be held by an executive director, in which case the appointment of the Chair will require a vote in favor by two thirds of the members of the Board of Directors. In addition, if the Chair is an executive Director, the Board, with the abstention of the executive Directors, shall appoint a coordinating Director from among the independent members of the Board, who will be specially entitled to ask for the call of a meeting of the Board or the inclusion of new items on the agenda of a meeting of the Board already called, coordinate and gather the non-executive Directors and direct, in such case, the periodic evaluation of the Chair of the Board of Directors.

When the Chair is an executive director, they will be considered the Company's most senior executive and will be conferred with all necessary powers to exercise this authority, which will be delegated by the Board of Directors. The powers delegated to the Chair may be delegated to third parties.

Likewise, the Board of Directors will choose a Secretary, who may or may not be a member of the Board of Directors and who will also serve as Secretary for all its delegated and advisory Commissions.



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The Board of Directors may similarly appoint a Vice-Secretary, who may or may not be a member of the Board and who will also serve as Vice-Secretary for all its delegated and advisory Commissions.

Likewise, the Board of Directors may permanently delegate all or part of its powers to one or more delegated Commissions, within the limits established by the applicable regulations and without prejudice to the powers which it may confer on any person, as well as appoint the directors who will serve on the delegated Commission and, where appropriate, the form in which the delegated powers may be exercised. The permanent delegation to one or more delegated Commissions of any of the Board of Directors' powers which may be delegated in accordance with the regulations in force, and the appointment of the directors who will serve on the delegated Commission must be approved by the Board of Directors with a vote in favor by two thirds of its members.

When a member of the Board of Directors is assigned executive functions by virtue of any position, a contract must be entered into by this director and the Company, which must be approved by the Board of Directors with a vote in favor by two thirds of its members. The director concerned must refrain from both attending the deliberations and participating in the voting, and the approved contract must be incorporated into the minutes as an annex.

Finally, the Board of Directors may create advisory Commissions from among its members, with powers to report, advise and make proposals on matters determined by the Board of Directors, as well as designate the directors that will serve on them.

#### **Article 26.- BOARD OF DIRECTORS MEETINGS.**

The Board of Directors shall meet with the frequency that the Company matters may require and, in any case at least once every two months, and on the initiative of the Chair or of the Coordinating Director, as many times as they might require for the operation of the Company. The Board of Directors shall also meet when required to do so by at least a third of its members, in which case it will be convened by the Chair, who will indicate the agenda, to meet within the following month of the request. If upon expiration of this time limit without the Chair having made the call for the meeting for no justified reasons, the Directors making at least a third of the members of the Board may call the meeting in the city of the registered address.

Unless otherwise established by the applicable laws or by the Bylaws, the agreements of the Board of Directors will be adopted by the overall majority of the Members present or represented at the session. In the event of a tie, the Chair shall cast the deciding vote.

The meetings of the Board of Directors will be called by the Secretary on the order of the Chair or of the Coordinating Director, and in the event of absence or incapacity of these last ones thereof, on the order of the First and Second Vice-Chair, successively.



All of the members of the Board of Directors shall be notified individually by letter, email, fax or telephone at least five days before the date set for the meeting.

The call for extraordinary meeting of the Board can be also executed even by phone and without the term and other requirements mentioned above when, up to the criteria of the Chair or of the coordinating Directors, the circumstances would require it.

The notice of meeting may, when circumstances require it, establish that the session be held by any means of distance communication using any technical procedure (including but not limited to telephone, conference call and videoconference) that ensures the identification and real-time plurilateral connection of the remote attendees. In these cases, the session will be understood to be held at the registered office.

The Board of Directors will be validly constituted when half plus one of its members are in attendance, either present or represented. Any Board member may authorize another member to represent them in writing. Non-executive members of the Board may only delegate their representation to another non-executive member.

The Board of Directors will also be validly constituted without any need for a call when all of the members are present and unanimously agree to form the Board of Directors.

The resolutions adopted by the Board of Directors will be recorded in the minutes of the meeting, which will be prepared and signed by the Secretary of the Board and, in his absence, by the Deputy Secretary. In the absence of these, it will be prepared and signed by the Director who has been appointed as secretary of the session. In any case, the approval of the person who would have acted in it as president will be recorded in the minutes.

The Chair, the Vice-Chairs, the Secretary and the Deputy Secretary of the Board of Directors will be permanently empowered, jointly and without distinction, to submit the agreements recorded in the minutes to a public document.

#### **Article 27.- POWERS OF THE BOARD OF DIRECTORS.**

The Board of Directors will assume the following powers, among others and without limitation:

- a) Calling ordinary and extraordinary General Meetings of Shareholders in the manner and in accordance with the timing established in this Bylaws and preparing the Agenda, making adequate proposals in consideration of the nature of each General Meeting.
- b) Representing the Company in all matters and acts, whether administrative, judicial, civil, commercial or criminal before the State Administration and



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Public Corporations of any kind and before any Court (ordinary, administrative, special or labor, or any other kind), carrying out all kinds of actions that may correspond to the Company to defend its rights in and out of the Courts of Justice before arbitrators or amicable conciliators and authorizing and granting sufficient powers to represent the Company before the aforementioned Courts, authorities and people. The Board of Directors may also receive from and pay all amounts to the State or other Public Bodies by signing all necessary documents for such purposes.

- c) Managing and directing the Company, constantly controlling the business and properties comprising its Capital Resources. To this end, all laws in effect shall be applied to its technical and administrative services, determining all expenses and approving personnel pay.
- d) Entering into contracts of any nature and with respect to all kinds of properties and rights under any terms and conditions that may be advisable as well as constituting and cancelling mortgages or other rights in rem or encumbrances and disposing of or waiving any privilege or right the Company may have through payment, transaction or in any other manner.
- e) Acquiring and registering ownership of any exclusive license for the exploitation or development of national or foreign patents or brands and participating in, executing and performing all kinds of acts and contracts related to the importation, exploitation and acquisition of raw materials through purchase or assignment, or by obtaining credits from the State, subsidies or any kind of administrative or commercial rights.
- f) Accepting or rejecting all kinds of transactions and business and granting third parties or entities shareholding interests or options in commercial and industrial operations without any limitation.
- g) Signing and acting on behalf of the Company in all kinds of banking transactions, opening and closing current accounts and using them; receiving, executing, drawing, accepting, guaranteeing and endorsing bills of exchange; opening credits with or without a guarantee and cancelling them; transferring funds, income, credits and guarantees, using any means of payment or money transfer; approving the balances of closed accounts, opening and cancelling or withdrawing from deposit accounts or deposits of any kind; compensating accounts, formulating exchanges, etc., all of which may be done at the Bank of Spain as well as in official banks or private banking institutions.
- h) Contracting or dismissing Company personnel, assigning all appropriate remuneration and salaries following a report by the Nomination and Remuneration Commission in cases of senior management.
- i) Determining and approving General Company policies and strategies. In particular, the following shall be considered:

- The strategic or business Plan as well as the management goals and annual budget;
  - The investment and financing policy;
  - The definition of the corporate group structure of which the Company is the parent company;
  - The Company's and its group's corporate governance policy, the organization and functioning thereof and, in particular, the approval and modification of its own Procedural Rules;
  - The corporate social responsibility [and sustainability](#) policy;
  - The dividends policy;
  - The senior management performance evaluation and compensation policy;
  - The risk management and control policy, including tax risks as well as the periodic monitoring of internal information and control systems;
  - The treasury stock policy and, in particular, the limitations thereof;
  - The establishment of the Company's tax strategy;
- j) Agreeing to modify or transfer the Company's website.
- k) [Approving related-party transactions under the terms set forth by Law and in accordance with the Company's internal policies.](#)

All of the powers of the Board of Directors, except for those not delegable in accordance with applicable law or the Company's internal rules, may be delegated upon expressly appointed persons for such purpose and the Board of Directors will indicate whether such delegations are made jointly or severally as well as the extent or limitation of any such powers.

The above list of powers of the Board of Directors is not restrictive in nature, but rather simply descriptive in the understanding that the Board of Directors is responsible for all duties not expressly reserved for the General Meeting of Shareholders.

**Article 28.- HONORARY CHAIR.**

The Board of Directors may award the distinction of Honorary Chair to any person who has served as Chair of the Board of Directors and who deserves this level of recognition on the basis of extraordinary merit and dedication to the Company.

The agreement to designate an Honorary Chair by the Board of Directors must be preceded by the corresponding report from the Nomination and Remuneration Commission.

The distinction of Honorary Chair is an honorary title and the Honorary Chair does not, therefore, need to be a member of the Board of Directors. Nevertheless, the Honorary Chair must comply with the legally imposed obligations derived from directors' duty of loyalty.

The designation of an Honorary Chair may be overruled by the Board, in light of the circumstances of each case.

The Honorary Chair may attend all meetings of the Board of Directors when called by the Chair of the Board of Directors in proper form.

The Company may grant the Honorary Chair any personal or material means necessary for the performance of this function.

**Article 29.- AUDIT AND CONTROL COMMISSION.**

The Board of Directors shall create among its own members an Audit and Control Commission formed by at least three and no more than five members designated by the Board of Directors itself. All of them must be non executive members, the majority of which, at least, must be independent and one of them will be appointed considering the knowledge and experience on accounting, auditing or both of them.

Globally considered, the members of the Audit and Control Commission will have the relevant expertise in relation to the activity sector to which belongs the audited entity.

The Chair of the Audit and Control Commission shall be elected by the Board of Directors from among the independent members of the Commission for a term that will not exceed four years, and he must be replaced at the end of said term. He may be re-elected one year after the date of his departure.

Without prejudice to any other duties established by the applicable law or that may be assigned from time to time by the Board of Directors, the Audit and Control Commission shall exercise, at least, the following functions:

- (a) Report to the General Meeting on issues raised at it on matters within its competence and, in particular, on the outcome of the audit explaining how



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this has contributed to the integrity of financial reporting and the role the Commission has played in this process.

- (b) To monitor the efficiency of the internal control system of the Company, the internal audit and the risk management systems, as well as addressing, together with the auditor, the most significant weaknesses of the internal control system detected during the audit, all without undermining their independence. For this purpose, when appropriate, the Commission may submit recommendations or proposals to the Board of Directors and the corresponding term for its monitoring.
- (c) To monitor the development and preventive financial reporting process, and submit recommendations or proposals to the Board of Directors, aimed to safeguarding its integrity.
- (d) Put forward to the Board of Directors the proposals of selection, appointment, renewal and replacement of the external Auditor, supervising the selection process in accordance with the provisions of the applicable legislation, as well as their contracting conditions, as well as to the conditions of its contract and request to the Auditor, on a regular basis, information about the audit plan and its execution, as well as to guarantee its independence on the execution of its duties.
- (e) Establish the necessary relations with external Auditors to receive information on those issues that could form a threat for their independence for consideration by the Commission and any others related to the performance of the account audit and, when applicable, the authorization of services different of those forbidden under the terms stipulated in the applicable legislation, as well as other communications provided for in auditing legislation and in auditing standards. In any case, they must receive annually from the external auditors declaration of their independence in relation with the Company or the entities directly or indirectly linked to it, as well as information in detail and on an individual basis on any type of additional services provided to these entities and the fees received by the external auditor, or by persons or entities linked to them, in accordance with regulations governing the activity of auditing.
- (f) Annually, issue, prior to issuance of the Audit Report, a report which will express an opinion on if the independence of the Auditor or auditing firm is jeopardized. This report shall, in any case, contain the motivated valuation on the provision of each and every additional services referred on item e) above, individually and jointly considered, different from those corresponding to legal auditing and in relation with the independence status or with the normative of auditing.
- (g) The authority of control and monitorization of the compliance of the policy of control and risk management. In performing this authority, the Audit and Control Commission may agree the establishment of one or more sub-



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Commissions for the control and monitorization of the compliance with the policy of control and risk management.

- h) Report related-party transactions that must be approved by the General Meeting of Shareholders or Board of Directors and supervise the internal procedure established by the Company for those for which approval is delegated.
- i) Report, previously, to the Board of Directors about all the matters included in auditing normative, the Bylaws and the Regulations of the Board of Directors and, in particular, on: (i) financial information which must be made public on a regular basis; (ii) incorporation or acquisition of special purpose participated entities or addresses in tax havens; and (iii) related parties transactions, under the terms provided for by law. Report all matters subject to reporting as provided for by Law, the Bylaws and the Board of Directors Procedural Rules in advance to the Board of Directors; particularly: (i) financial information and the management report which shall include, when applicable, the required non-financial information the Company must periodically make public; and (ii) the creation or acquisition of holdings in special purpose entities or addresses in tax havens.

The Audit and Control Commission shall meet at least eight times a year for the purpose of revising the periodic financial information that must be sent to the corresponding authorities, together with the information that the Board of Directors must approve and include within its annual public documents. Likewise, it will meet each time that the Chair convenes it, which he must do whenever the Board of Directors or the Chair of the Board requests the issuing of a report or the adoption of proposals and, in any event, whenever any of its members requests it or it is appropriate for the satisfactory discharge of its tasks.

The members of the management team or of the staff of the Company and its group will be obliged to attend Audit and Control Commission meetings and to offer their collaboration and access to the information available to them when the Audit and Control Commission so requests. The Audit and Control Commission may likewise require the attendance of the Company's account auditors at its meetings.

The Board of Directors may further develop and supplement the above rules through its Procedural Rules in accordance with the provisions of the Bylaws and the law.

**Article 30.- NOMINATION AND REMUNERATION COMMISSION.**

The Board of Directors will set up a Nomination and Remuneration Commission, consisting of a minimum of three and a maximum of five Directors, all of whom should be non-executive members. At least two of them must be independent Directors.



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The Chair of the Nomination and Remuneration Commission shall be appointed by the Board of Directors from among its members for a four-year term. This person may be re-elected one or more times to terms of equal duration. The Chair must be an independent Director.

Notwithstanding any other duties imposed by applicable regulations or assigned by the Board of Directors, the Nomination and Remuneration Commission shall at least have the following duties:

- a) Assessing the competences, knowledge and experience necessary for the Board of Directors. For this purpose, the Commission will define the duties and skills required of each candidate to fill each vacancy and assess the time and dedication needed to properly perform their tasks.
- b) Establishing a target of representation for the gender least represented on the Board and issuing guidelines on how to reach such target.
- c) Submitting the proposed appointments of independent Directors to the Board of Directors for designation by means of the co-optation procedure or by submitting such decision to the General Meeting in addition to any proposals for re-election or dismissal of said Directors by the Meeting.
- d) Reporting the proposed appointments of all other Directors for their designation by means of the co-optation procedure or by submitting such decision to the General Meeting in addition to any proposals for re-election or dismissal by the Meeting.
- e) Reporting the appointment of a Chair and Vice-Chair(s) of the Board of Directors.
- f) Reporting the appointment of a CEO.
- g) Reporting the appointment of a Secretary and Vice-Secretary of the Board of Directors.
- h) Proposing Directors for each of the Commissions in accordance with their knowledge, skills and experience and each Commission's tasks.
- i) Reporting the proposed appointments and dismissals of senior management and the basic characteristics of their contracts.
- j) Reviewing and organizing the succession of the Chair of the Board of Directors as well as the Company's top executive and, as appropriate, formulating proposals for the Board of Directors so that such succession occurs in an orderly and planned manner.
- k) Proposing a remuneration policy to the Board of Directors for Directors, chief officers and those in senior management roles directly reporting to the Board



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or the Executive Commission or the CEO(s), as appropriate, as well as any individual compensation and other contractual conditions for executive Directors, ensuring the observance thereof.

The Nomination and Remuneration Commission shall meet at least once annually in order to prepare information on the Directors' remuneration, which the Board of Directors must approve and include as part of its annual public documents.

Likewise, it will meet each time that the Board of Directors or its Chair requests the issuance of a report or the adoption of proposals within the scope of its competences and, in all cases, provided it is appropriate for the satisfactory fulfilment of its duties.

Requests for information from the Nomination and Remuneration Commission shall be formulated by the Board of Directors or by its Chair. Likewise, the Commission must consider the suggestions made by the Chair, the members of the Board of Directors and the Company's managers or shareholders.

The Board of Directors may further develop and supplement the above rules through its Procedural Rules in accordance with the provisions of the Bylaws and the law.

#### **Article 30 BIS.- MANAGEMENT AND RISKS COMMISSION.**

The Board of Directors shall create from among its members a Management and Risks Commission comprised of at least three and no more than eight members designated by the Board of Directors, which may include an executive director.

The Chair of the Management and Risks Commission shall be appointed by the Board of Directors from among its members for a four-year term and may be re-elected one or more times for terms of equal duration.

Without prejudice to any other duties that may be assigned at any time by the Board of Directors, the Management and Risks Commission's responsibilities shall include at the very least:

- (a) Periodically reviewing the impact of operations and planning by the Company and its Group.
- (b) Analyzing the financial efficiency and resources of each project undertaken by the Company and its Group.
- (c) Analyzing the guidelines of the commercial policies and analyzing the conditions for the most relevant bids of the Company or its Group.
- d) Carrying out regular monitoring of the Company's projects, with special focus on those which are most significant in economic, technical or reputational terms.

- e) Monitoring the periodic analyses of any geopolitical situation of the countries where the Company or its Group operates.
- f) Conducting periodic analyses of the solvency ratios of clients and suppliers.
- g) Developing and monitoring the risk map of the Company and its Group.
- h) Advising the Board of Directors on the Company's and its Group global approach and strategy.
- i) With respect to all the previous items, bolster the compliance system and activities of the Company and its Group.

Where necessary, the Management and Risks Commission shall perform its stipulated functions in coordination with the Audit and Control Commission.

The Management and Risks Commission shall ordinarily meet at least eight times a year. Likewise, it will meet each time that the Board of Directors or its Chair requests the issuance of a report or the adoption of proposals within the scope of its competences and, in all cases, provided it is appropriate for the satisfactory fulfilment of its duties.

Meetings of the Management and Risks Commission may be attended by anyone with executive duties assigned by the Board of Directors through any position, even if not a member of the Commission for the purpose of Commission fulfilment of their duties. Moreover, members of the management team or personnel from the Company and its group shall be required to attend Management and Risks Commission meetings and cooperate and provide access to the information available to them when requested by the Commission.

The Board of Directors may further develop and supplement the above rules through its Procedural Rules in accordance with the provisions of the Bylaws and the law.

**Article 31.- WEBSITE.**

1. The Company shall maintain a website to keep its shareholders and investors informed. Such website shall include at least the following documents and any other documentation required by applicable regulations:

- (a) The Bylaws.
- (b) The General Meeting of Shareholders Procedural Rules.
- (c) The Board of Directors Procedural Rules and, as applicable, the Procedural Rules of Board of Directors Commissions.



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- (d) The Annual Report and the Internal Code of Conduct on matters concerning securities markets.
- (e) Biographic and professional information on the members of the Board of Directors, including a biographic profile for each one.
- (f) The Annual Corporate Governance Report.
- (g) Documents related to ordinary and extraordinary General Meetings with information on the Agenda, the proposals made by the Board of Directors as well as any relevant information that may be needed by shareholders in order to cast their votes.
- (h) Information on the workings of General Meetings held and particularly on the composition of the General Meetings upon constitution, the resolutions passed with an indication of the number of votes cast and the voting results for each of the proposals included on the Agenda.
- (i) The channels of communication between the Company and the shareholders and, in particular, all pertinent explanations on how shareholders may exercise their right to information with an indication of the mailing and email addresses shareholders may use for contact.
- (j) The means and procedures for conferring representation powers for General Meetings.
- (k) The means and procedures for voting remotely including, as applicable, the forms for proving attendance and voting by electronic means at General Meetings.
- (l) Privileged and other relevant information communicated to the Spanish National Securities Market Commission under the terms of applicable regulations.
- (m) The average period for payment to suppliers and, as applicable, the measures to be applied over the following financial year to reduce such period to the maximum allowed by payment default regulations.

The Board of Directors may resolve to modify or transfer the website. Any such resolution must be registered with the Trade Register or communicated to all shareholders and, in any case, will be reflected on the modified or transferred website for a period of thirty days following the adoption thereof.

2. The Company website address is [www.tecnicasreunidas.es](http://www.tecnicasreunidas.es).



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#### **TITLE IV. INVENTORY, BALANCE SHEET, TAX YEAR AND DISTRIBUTION.**

##### **Article 32.- TAX YEAR.**

Tax years shall commence on the first of January and end on the thirty-first of December of each year.

Exceptionally, the Company's first financial year shall commence on the date the Company is registered with the Trade Register. Likewise, the Company's operations shall commence on said date.

##### **Article 33.- BALANCE SHEET AND PROPOSED APPLICATION OF RESULTS.**

Within the legal time, the governing body will draw up the annual accounts, the management report, [which shall include the non-financial information statement where appropriate,](#) and the proposed application of the result, so that, once checked and reported by the Statutory Auditors, as the case may be, they might be presented to the General Meeting of Shareholders for approval.

##### **Article 34.- RIGHT TO INSPECTION.**

From the time the General Meeting is called, any shareholder may immediately obtain all documents free of cost from the Company that shall be submitted for their approval in addition to the management report and auditors' report, as applicable.

The notice to meet shall mention this right.

##### **Article 35.- APPLICATION OF THE RESULT**

The General Meeting shall decide on the application of the result with the approved balance sheet.

Dividends may only be distributed among the shareholders in proportion to the capital they have paid up, chargeable to the profits or the voluntary reserves once the legal reserve and other obligations established by law or the Bylaws have been covered provided the value of the shareholders' equity is not nor will be lower than the share capital as a result of the distribution.

If the General Meeting resolves to distribute dividends, it shall determine the time and form of payment. The determination of these issues and any others which may be necessary for or relevant to the implementation of the resolution may be delegated to the Board of Directors.

The General Meeting may resolve that the dividend be paid wholly or partly in kind, provided that the assets or securities subject to distribution are homogenous and admitted to trading on an official market on the date on which the resolution enters into force.



The Board of Directors may agree on the distribution of amounts on account of dividends, either in cash or in kind, with the limitations and meeting the requirements established by Law.

#### **TITLE V.- COMPANY LIQUIDATION.**

##### **Article 36.- COMPANY DISSOLUTION AND LIQUIDATION.**

The Company shall be dissolved upon a resolution by the General Meeting which may be passed at any time subject to the requirements established by the law and for any other cause set forth therein.

When the Company has to be dissolved for a legal reason requiring a resolution from the General Meeting, the governing body shall call it within a period of two months from the occurrence of such cause to pass the resolution for dissolution, proceeding as the Law requires if such resolution is not passed for any reason. When a dissolution must occur due to the capital resources falling to less than half of the share capital, such circumstance may be avoided by resolving to increase or reduce the share capital or by rebuilding the Company's capital resources in a sufficient amount. Such regularization shall be effective providing it is done before a court-ordered dissolution of the Company is decreed.

##### **Article 37.- MEANS OF LIQUIDATION.**

If dissolution is agreed, the General Meeting shall proceed to appoint a liquidator or odd number of liquidators and determine their powers, with the attributions established in Article 375 et following of the Spanish Corporate Enterprises Act and any others that might have been invested by the General Meeting of Shareholders at the time they are appointed.

##### **Article 38.- FINAL LIQUIDATION.**

Once the Company has been dissolved and all of its obligations and debts settled, the resulting net amount shall be applied to reimbursing the capital of all shares at face value. The remaining amount, if any, shall be distributed among the shareholders in proportion to their share in the share capital.

#### **TITLE VI.- OTHER PROVISIONS.**

##### **Article 39.- INCOMPATIBILITIES AND DISQUALIFICATION.**

Offices may not be held in this Company by people who are subject to any situation of incompatibility or disqualification as established by the Laws.



**Article 40.- CONFLICT RESOLUTION.**

Any dispute that may arise within the Company, between the Directors and the shareholders or among the Directors and shareholders themselves concerning corporate matters, both the Company as well as the Directors and shareholders hereby expressly submit to the courts with jurisdiction over the Company's registered address, waiving any other forum that would otherwise correspond.