



TECNICAS REUNIDAS

**Board of Directors Diversity and
Director Selection Policy
of Técnicas Reunidas, S.A.**

CONTENTS

I. INTRODUCTION	2
II. PURPOSE OF THE POLICY	2
III. GENERAL PRINCIPLES	2
IV. SUBJECTIVE SCOPE OF APPLICATION	3
V. SUITABILITY OF THE BOARD AND ITS COMMITTEES AS A WHOLE PROMOTING DIVERSITY IN THE COMPOSITION OF THE BOARD OF DIRECTORS 3	
VI. REQUIREMENTS FOR CANDIDATES	5
VI.1. Categories of the Board members	5
VI.2. Individual selection requirements for candidates	5
VI.3. Incompatibilities and prohibitions	6
VI.4. Duties of the Directors	7
VII. TRAINING OF THE BOARD MEMBERS	8
VIII. BODIES IN CHARGE	8
VIII.1. The Board of Directors	8
VIII.2. The Appointments and Remuneration Committee	9
VIII.3. Assistance from external professionals	10
IX. POLICY MONITORING	10

BOARD OF DIRECTORS DIVERSITY AND DIRECTOR SELECTION POLICY OF TÉCNICAS REUNIDAS, S.A.

I. INTRODUCTION

The Board of Directors of Técnicas Reunidas, S.A. (hereinafter, "Técnicas Reunidas" or the "Company"), as a listed company, has the non-delegable power to determine and approve the Company's general policies and strategies.

In this regard, the Code of Good Governance of listed companies approved by the Spanish Securities & Exchange Commission (CNMV) — hereinafter, the "*Code of Good Governance*" — recommends that the Board of Directors of listed companies approve a policy aimed at:

- Ensuring that proposals for appointment or re-election are based on a prior analysis of the competencies required by the Board of Directors;
- Favouring an appropriate composition of the Board of Directors that is specific and verifiable; and
- Favouring the diversity of knowledge, experience, age and gender among the Company's directors.

Pursuant to the foregoing, the Board of Directors of Técnicas Reunidas, following a proposal from the Appointments and Remuneration Committee, agreed at its meeting of December 21st, 2020 to approve the present *Board of Directors Diversity and Director Selection Policy of Técnicas Reunidas, S.A.* (hereinafter, the "*Policy*").

II. PURPOSE OF THE POLICY

The purpose of this Policy is to determine the criteria that the Board of Directors of Técnicas Reunidas will consider in the selection, appointment and re-election processes of the members of the Company's Board of Directors, as well as the criteria and requirements for an adequate and diverse composition of the Board of Directors, all in accordance with the applicable regulations, the Company's internal rules and the recommendations and best practices of good corporate governance.

III. GENERAL PRINCIPLES

Within the framework of best corporate governance practices and the Company's corporate values, the Policy will be based on the following General Principles:

- **Appropriate composition of the Board of Directors.** The composition of the Board shall be appropriate for the best performance of its functions,

for which purpose the selection processes for Directors shall be based on a prior analysis of the skills required by the Board of Directors.

- **Promoting diversity in the composition of the Board.** The bodies responsible for the selection of Directors shall seek to ensure that the selection procedures favour diversity in the composition of the Board and its Committees in terms of gender, knowledge, experience, geographical origin and age, inter alia.
- **Non-discrimination and equal treatment.** The selection procedures for members of the Board of Directors of Técnicas Reunidas shall not be subject to implicit biases in any way that could imply discrimination of any kind, whether for reasons of race, sex, age, disability or any other reason.
- **Transparency in the selection of candidates.** The procedures for the selection, appointment and re-election of the members of the Board of Directors shall be transparent, and the Board of Directors, with the collaboration of the Appointments and Remuneration Committee, shall establish the appropriate means to ensure that Técnicas Reunidas provides all the necessary information in this respect.
- **Compliance with applicable regulations and principles of good governance.** The selection processes for the members of the Board of Directors of Técnicas Reunidas shall be carried out in accordance with the provisions of the Law, the Company's bylaws and the best corporate governance practices adopted by the Company, including the guidelines issued by the supervisory authorities.

IV. SUBJECTIVE SCOPE OF APPLICATION

This Policy shall be applicable to all procedures for the selection, appointment and re-election of candidates for appointment as members of the Board of Directors of Técnicas Reunidas.

V. SUITABILITY OF THE BOARD AND ITS COMMITTEES AS A WHOLE: PROMOTING DIVERSITY IN THE COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of the Company shall propose to the General Meeting the number of members which, given the Company's circumstances, is most appropriate to ensure its efficient functioning and the participation of all Directors, enriching the decision-making process and contributing differing points of view to the debate and the agility of the decision-making process.

Likewise, in addition to the individual requirements in the selection of candidates proposed as Company Directors, and without prejudice to considering their functions and the characteristics of the Company and its Group, gender should also be considered in addition to other

characteristics already envisaged within the Board of Directors and its Committees, such as knowledge and experience.

To this end, the diversity of the members of the Board of Directors shall be weighted considering the legal requirements and good governance recommendations in this respect and with special emphasis on gender diversity, so that the composition of the Board and its Committees (Audit and Control Committee and Appointments and Remuneration Committee) reflects a diverse group to promote independent opinions and contrasted decision-making within the Board.

In particular, with regard to the presence of female directors in the Board of Directors of the Company, the Board shall promote compliance with the objective established at all times by the good governance Recommendations. In this regard, in order to promote gender diversity, the Company shall seek to establish measures that encourage the Company to have a significant number of female top managers, without prejudice to the essential criteria of merit and ability that must govern all the personnel selection processes of the Company and its Group. Likewise, it should ensure cultural diversity and the presence of members with international knowledge and experience.

The actions of Técnicas Reunidas' governing bodies in matters of diversity shall respond to the following principles or guidelines:

- Non-discrimination, integrity and rejection of any form of discrimination.
- Continuous promotion of effective equality of treatment and opportunities, and promotion of a culture of merit as an essential basis for Técnicas Reunidas' strategies and policies in the selection of Directors and human resources.
- Encouraging the confluence of a plurality of different experiences, knowledge, training and skills within the Company.
- Commitment to the transparency of the Company's diversity strategy; the Board of Directors of Técnicas Reunidas shall establish the appropriate means and information to ensure that the Company provides all necessary and appropriate information in this regard.

With regard to the composition of the Audit and Control Committee, the candidate selection process shall also consider the singularities required by the applicable regulations and recommendations, ensuring that its members as a whole, in addition to its Chairman, have specific knowledge in accounting, auditing or risk management and control (both financial and non-financial) as well as internal control matters and, as far as possible, experience in information technologies that facilitate the

supervision of risk management and control systems, without prejudice to the other diversity requirements.

VI. REQUIREMENTS FOR CANDIDATES

VI.1. Categories of the Board members

Directors shall be classified as executive or non-executive, distinguishing between proprietary, independent or other external directors, considering the definition established in applicable regulations and in the Regulations of the Board of Directors of Técnicas Reunidas.

In accordance with the provisions of the Recommendations of the Code of Good Governance, the Board shall seek to ensure that external proprietary and independent Directors constitute a majority of the Board, considering the complexity of the Group and the percentage owned by executive Directors in the Company's capital.

Likewise, the Board shall seek to ensure that, among the external directors, the ratio of Proprietary directors to the total number of Non-executive directors reflects the proportion between the capital of the Company represented by Proprietary directors and the rest of the capital. In any case, efforts will be made to ensure that the number of independent directors be at least one third of the total number of directors.

VI.2. Individual selection requirements for candidates

The Board of Directors, the Appointments and Remuneration Committee and the other bodies responsible for selecting candidates for the position of Director of Técnicas Reunidas shall seek, within the scope of their respective competencies, to ensure that candidates are chosen from among persons of recognised solvency, competence and experience who are able to devote the time and effort required for the proper performance of this position, given the characteristics of the Company at the time of selection (situation of the sector of activity, international presence, etc.).

In accordance with the above, at least the following individual requirements shall be considered in the selection procedures for Directors:

- **Appropriate professional knowledge and experience.** The appointment shall be made to persons of recognised standing in their professional field with the relevant knowledge and professional experience for the efficient exercise of their functions.
- **Recognized solvency and competence.** The bodies responsible for the selection of candidates shall ensure that the selected persons have a recognised solvency and competence—which shall at all times be suitable for the position of Company Director—and shall be particularly rigorous in the case of candidates to fill vacancies for the position of Independent Director.

- **Ability to devote the time and effort required for the exercise of the position.** Efforts shall be made to ensure that the selected persons have the necessary time available for the proper performance of their duties.

To this end, account shall be taken of the number of Boards of Directors of which the candidate is a member, the geographical presence and time devoted to travel, the planned number of meetings of the Board of Directors and its Committees, the specific duties and responsibilities attributed to the position and the other professional activities he/she performs or will perform, without prejudice to other criteria that the Appointments and Remuneration Committee may deem appropriate to assess.

- **Commitment to the fulfilment of Directors' duties and obligations.** In proposals for re-election of members of the Board of Directors, the commitment shown by the Director in question during his/her term of office to the Company and to compliance with the general duties of Directors established in the applicable regulations, in the internal rules of Técnicas Reunidas and in this Policy shall be assessed.

In addition, in the proposals for re-election of Directors that the Board of Directors decides to submit to the General Meeting, both the Appointments and Remuneration Committee and the Board of Directors, within the framework of their respective competencies, shall especially assess, with the abstention of the parties concerned, the quality of the work and dedication to the position of the Directors proposed during the relevant term of office and their ability to continue to hold the position satisfactorily.

- **Absence of conflicts of interests.** Candidates shall be assessed for potential conflicts of interest arising from past or present professional experience and positions held or, if applicable, from any kind of personal, professional or economic relationship with other Directors or significant shareholders of the Company or of companies in its Group.

The selection requirements above shall be applicable to all members of the Board of Directors of Técnicas Reunidas, regardless of the category they hold in the Board of Directors.

In addition, candidates for the position of independent Director must meet the independence requirements established by law and by Técnicas Reunidas' internal regulations.

In any case, in the selection processes for Directors of Técnicas Reunidas, any other requirements established in the applicable regulations at any given time shall be taken into account, as well as those determined by the Appointments and Remuneration Committee, where appropriate.

VI.3. Incompatibilities and prohibitions

Individuals or legal entities that are affected by any of the legally established cases of incompatibility, incapacity or prohibition, or those

who in any way have interests opposed to those of the Company or its Group, may not be appointed as Directors of Técnicas Reunidas or, if applicable, as natural person representatives of a Director or legal entity.

In particular, unemancipated or judicially disqualified minors, persons disqualified under applicable legislation and those convicted of crimes against liberty, property or socio-economic order, collective security, the Administration of Justice or for any kind of falsehood, as well as those who, by reason of their position, are unable to engage in trade, may not be appointed as Directors. Neither shall civil servants in the service of the public administration during their duties that are related to the activities of the companies in question, judges or magistrates and other persons affected by a legal incompatibility.

Likewise, those who are in any of the following circumstances may not be appointed or re-elected as Directors:

- When they leave the executive positions with which their appointment as Director was associated.
- When they are seriously cautioned by the Board of Directors for having breached their obligations as Directors.
- When their continuation as members of the Board of Directors may damage the Company's credit and reputation and, in general, when it may jeopardise the Company's interests.
- When the reasons for which the Directors were appointed cease to exist. In this respect, proprietary Directors must tender their resignation when the shareholder they represent transfers its entire shareholding. So will they, in the appropriate number, when such shareholder reduces its shareholding to a level that requires a reduction in the number of its proprietary Directors.
- In the case of independent directors, when they incur in any of the circumstances that cause them to lose their independent status, in accordance with the provisions of the Law and the Regulations of the Board of Directors of the Company, unless the concurrent circumstances allow them to be classified in another category and this is deemed appropriate for the composition of the Board of Directors as a whole.

VI.4. Duties of the Directors

Directors shall perform the duties imposed by law, the Articles of Association, the Regulations of the Board of Directors and other rules of corporate governance of the Company, acting with the loyalty of a faithful representative, acting in good faith and in the best interests of the Company and with the diligence of an orderly businessman, taking into account the nature of the office and the functions attributed to them.

To this end, the Directors shall have the appropriate dedication and shall adopt the necessary measures for the proper management and control of the Company.

The Regulations of the Board of Directors shall develop the specific obligations of Directors arising from the duties of loyalty and diligence, paying particular attention to situations of conflict of interest.

VII. TRAINING OF THE BOARD MEMBERS

In the performance of their duties, Directors shall have the obligation to demand and the right to obtain from Técnicas Reunidas the appropriate and necessary information for the fulfilment of their obligations. The right to information shall extend to all Group companies, whether domestic or foreign.

Likewise, a plan may be established so that Directors may receive training in such matters as may be deemed necessary, at meetings of the Board of Directors or in any other manner deemed appropriate, also encouraging the implementation of programmes to update the knowledge of the Company's Directors when circumstances so advise, to be established by the Appointments and Remuneration Committee in collaboration with the Chairman of the Board.

In addition, the Company shall seek to establish a welcome programme for new members of the Board of Directors which shall aim to ensure that all Directors have a sufficient and homogeneous knowledge of the Company and shall include, among other aspects, the expected time of dedication, the global vision of the business and organisational model, and the obligations regarding strategy, information and regular appearances.

VIII. BODIES IN CHARGE

VIII.1. The Board of Directors

In accordance with current legislation and the Regulations of the Board of Directors of the Company, the Board of Directors of Técnicas Reunidas shall have the following powers regarding the selection of Directors and the diversity in the Board of Directors:

- The approval and modification of this Policy.
- The preparation of a report justifying the competence, experience and merits of the candidate proposed for appointment or re-election as a Director, which must in any case accompany the proposal for

appointment or re-election and shall be attached to the minutes of the General Meeting or of the Board of Directors of the Company.

- The preparation of proposals for the appointment or re-election of non-independent directors that the Board of Directors submits to the consideration of the General Meeting of Técnicas Reunidas and decisions on the appointment of directors by the co-optation system in accordance with the powers conferred by law.
- The assessment, prior to proposing the re-election of Directors to the General Meeting, of the quality of the work and dedication to the position of the proposed Directors during the previous term of office.
- Ensuring that the procedures for selecting members of the Board of Directors favour diversity with respect to issues such as age, gender, disability or professional training and experience, and do not suffer from implicit biases that could imply any discrimination and, in particular, that they facilitate the selection of female directors in a number that allows for a balanced presence of women and men.

VIII.2. The Appointments and Remuneration Committee

Without prejudice to the powers of the Board of Directors regarding the selection of directors and diversity on the Board of Directors, the following functions, among others, shall correspond to the Técnicas Reunidas' Appointments and Remuneration Committee:

- Assess the skills, knowledge and experience required in the Board of Directors. To this end, it shall define the functions and skills required for the candidates to fill each vacancy, and shall assess the time and dedication necessary for them to perform their duties effectively, ensuring that the non-executive directors have sufficient time available for the proper performance of their duties, for which purpose it shall analyse the other occupations of each director as well as the maximum number of Boards of Directors of which they may reasonably form part.
- Establish a target for representation of the under-represented sex in the Board and develop guidance on how to achieve that target.
- Submit proposals to the Board of Directors for the appointment of independent Directors, either for appointment via co-optation or for submission to the decision of the General Meeting of Shareholders, as well as proposals for the re-election or removal of such Directors by the General Meeting of Shareholders.
- Report on proposals for the appointment of Directors other than independent Directors, for appointment via co-optation or for submission to the decision of the General Meeting of Shareholders, as well as proposals for their re-election or removal by the General Meeting of Shareholders.

- Examine and organise the succession of the Chairman of the Board of Directors and the chief executive of the Company and, if necessary, make proposals to the Board of Directors so that this succession takes place in an orderly and planned manner.
- Within the framework of the selection procedures for Directors, the Appointments and Remuneration Committee shall carry out a prior analysis of the skills, knowledge and experience of the Directors already in the Board, as well as the skills required in the Board of Directors, considering the diversity objectives set by the Company and, where appropriate, the need for a progressive renewal of the Board of Directors, specifying the profile and skills required of the new Director.
- To facilitate this prior analysis, the Appointments and Remuneration Committee shall prepare and regularly update a matrix with the necessary competencies of the Board of Directors, defining the skills and knowledge of candidates for Directors, especially those of executive and independent Directors.
- As part of the candidate selection process, the Nomination and Remuneration Committee may seek internal advice, cooperation and access to the necessary information.
- The Chairman of the Board and the chief executive of Técnicas Reunidas shall be consulted by the Appointments and Remuneration Committee, especially on matters relating to the appointment of executive Directors.
- In addition, any Director may request the Appointments and Remuneration Committee to consider potential candidates to fill vacancies for Directors.

VIII.3. Assistance from external professionals

For the best performance of its functions, the Appointments and Remuneration Committee, as the body responsible for the process of selecting candidates for Directors, may seek the advice of external experts and, in particular, the hiring, at Técnicas Reunidas' expense, of legal and human resources advisers or other experts in the selection of Directors.

In the case of external advice, the Nomination and Remuneration Committee shall pay particular attention to the independence of the adviser and the absence of conflicts of interest.

IX. POLICY MONITORING

The Appointments and Remuneration Committee of Técnicas Reunidas shall be the body responsible for verifying compliance with this Policy on an annual basis, periodically assessing its effectiveness and adopting the appropriate measures to remedy any possible deficiencies, informing the Company's Board of Directors of all such measures.

Likewise, Técnicas Reunidas shall report on the verification of compliance with the Policy in the Company's Annual Corporate Governance Report.

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