TÉCNICAS REUNIDAS, S.A.
DIRECTORS' REMUNERATION POLICY
FOR FISCAL YEARS 2023 TO 2025

CONTENTS

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I. INTRODUCTION

Pursuant to the provisions of article 529.novodecies.1 of the Recast Text of the Spanish Corporate Enterprises Act ("LSC"), the General Meeting of Shareholders of listed trading companies shall approve a remuneration policy for their directors as a separate item on the Agenda for application for a maximum period of three fiscal years. However, the General Meeting of Shareholders may determine that proposed new remuneration policies shall be applicable from the date of approval and for the following three fiscal years.

In accordance with this provision and pursuant to the proposal from the Appointments and Remunerations Commission dated May 19, 2022, the Board of Directors of Técnicas Reunidas, S.A. ("Técnicas Reunidas" or the "Company") at its meeting on May 24, 2022 agreed to propose the approval of this Técnicas Reunidas, S.A. Directors' Remuneration Policy for fiscal years 2023 to 2025 (the "Remuneration Policy") to the Ordinary General Meeting of Shareholders to be held on June 28, 2022. Pursuant to the provisions of article 529.novodecies.4 LSC, the proposed Remuneration Policy is accompanied by a specific explanatory support report from the Appointments and Remunerations Commission.

The Remuneration Policy was written in accordance with the provisions of article 22 of the Bylaws, article 26 of the Company's Board of Directors Regulations, articles 217, 249 and 529.sexdecies and following LSC as well as the Recommendations for Good Governance Code for Listed Companies endorsed by the Company.

II. BASIC PRINCIPLES OF THE REMUNERATION POLICY

The Técnicas Reunidas Remuneration Policy is based on the principle of proportionality in remuneration for directors established in article 26.4 of the Company's Board of Directors' Regulations and article 217.4 LSC and, as a result, the Remuneration Policy:

(i) maintains a reasonable proportion with the Company's importance considering its size, turnover, number of employees and economic significance, among other factors; and

(ii) is geared towards promoting the Company's long-term profitability and sustainability, in order to avoid excessive risk-taking and the rewarding of unfavorable results.

Likewise, pursuant to the provisions of article 26 of the Company's Board of Directors Regulations and Recommendation 56 of the Good Governance

Code for Listed Companies, the Company's Remuneration Policy pursues (i) on the one hand, attracting and retaining the Company's directors; and (ii) on the other hand, rewarding the effective dedication, qualifications and responsibility assumed by each of the directors without in any case compromising the independence of judgement of the non-executive directors.

On the other hand, the Remuneration Policy is aimed at aligning directors' remuneration with the Técnicas Reunidas strategies and the interests of the Company and its shareholders, having taken into consideration the Company's economic and sustainability situation, market standards for comparable companies and the remuneration and employment conditions of Company employees, as indicated below, when writing it.

Moreover and in line with the provisions of article 26.5 of the Board of Directors Regulations, remuneration for non-executive directors:

(i) will aim to appropriately reward their effective dedication, qualifications and responsibilities; and

(ii) should be sufficient to attract and retain directors of the desired profile, but not so high as to compromise their independence of judgment.

Finally, the Company's Board of Directors is committed to applying the principle of transparency to all items of remuneration included in the Remuneration Policy, providing transparent, sufficient and timely information.

In this regard, the Board of Directors shall prepare an Annual Report on the Remuneration of Directors annually which shall be made available to the Company's shareholders upon notification of the Ordinary General Meeting and shall be submitted for consultative voting as a separate item on the Agenda.

III. BODIES WITH THE POWERS TO WRITE AND APPROVE THE REMUNERATION POLICY

The Remuneration Policy must be subject of approval by the General Meeting of Shareholders and such approval shall require the intervention of the following bodies:

(i) Appointments and Remuneration Commission: The Appointments and Remunerations Commission, comprised exclusively of non-executive directors and, therefore, no executive director, shall prepare the proposed Remuneration Policy for submission to the Board of Directors as well as approve a specific explanatory and supporting report on the Remuneration Policy which the Board of Directors shall propose to the General Meeting of Shareholders for approval. Along with the proposed Remuneration Policy, such report must be made available to the General Meeting of Shareholders from the date of notification of the meeting and the shareholders may ask for a copy of both documents for delivery or mailing free of cost.

(ii) Board of Directors: The Board of Directors will propose the Remuneration Policy to the General Meeting of Shareholders with grounds for such. The proposal by the Board of Directors must be made available to the General Meeting of Shareholders upon notice to attend.

Likewise, the Board of Directors is the body with the power to determine and approve the terms and conditions of the contracts for the Company's executive directors subject to the Remuneration Policy approved by the General Meeting of Shareholders (articles 249 and 529.octodecies LSC). The executive directors shall refrain from participating in the discussions and votes related to such resolutions.

(iii) General Meeting of Shareholders: The General Meeting of Shareholders shall approve, where appropriate, the Company's Remuneration Policy which shall remain in effect for the three fiscal years following approval thereof. In a view to avoiding any possible conflicts of interest, directors who, following a public request, have been designated representatives of any shareholder for the General Meeting shall abstain from exercising the voting right corresponding to the represented shares in relation to any resolutions concerning the Remuneration Policy unless instructions on the vote have been received. Any modification or substitution of the Policy will also require prior approval from the General Meeting of Shareholders without prejudice to the provisions of article 529.novodecies.5 LSC.

IV. REMUNERATION SCHEME APPLICABLE TO DIRECTORS IN THEIR CAPACITY AS SUCH

In application of the provisions of article 22 of the Bylaws and article 26.1 of the Company's Board of Directors Regulations, the remuneration for directors as such shall be comprised of the following items of remuneration:

(i) Fixed annual remuneration for being on the Board of Directors.

(ii) An additional fixed annual allocation for presiding a Commission.

(iii) Per diem expenses for attending Board of Directors and Commission meetings, as appropriate.

The maximum annual amount of remuneration for all directors is set at 5,000,000 euros, which will remain in force unless modified by the General Meeting of Shareholders.

Subject to the cap established in this Policy, the Company's Board of Directors will determine the individual remuneration for each director for their service in their capacity as such taking into account their membership on Commissions, the offices they hold, their work in service of the Company as well as any specific contributions directors may make based on their qualifications and professional experience as per an Appointments and Remunerations Commission report.

The receipt of these items of remuneration shall require compliance with the conditions established on this matter by Order PCM/679/2020, of 23 July and, as a result, the reimbursement by the Company of 75% of the temporary public aid received by Técnicas Reunidas chargeable to the Fund to Support the Solvency of Strategic Companies. Therefore, the remuneration for the members of the Board of Directors may not exceed the fixed part of their remuneration in effect at the end of fiscal year 2019 until said reimbursement has been made. All of the foregoing will be reported in detail in the Annual Report on the Remuneration of Directors.

V. REMUNERATION SCHEME APPLICABLE TO DIRECTORS WITH DELEGATED OR EXECUTIVE DUTIES

Pursuant to the provisions of articles 249 and 529.octodecies LSC, the directors who have been assigned delegated or executive duties shall have the right to receive remuneration for such duties in addition to their remuneration as directors.

As of the date of the approval of this Policy, the President of the Board of Directors is the only member of the Board who performs delegated or executive duties.

To this end and in compliance with the provisions of articles 22 of the Bylaws and 26.6 of the Board of Directors Regulations, Company directors with delegated or executive duties will be entitled to receive remuneration comprising the following items of compensation:

(i) Fixed annual remuneration of 800,000 euros for the President when an executive director.

In accordance with the level of responsibility undertaken by the director and the market studies and analysis completed and subject to the limits established in article 217.4 LSC, the Board of Directors may update the sums of the fixed remuneration following a report by the Appointments and Remunerations Commission and reporting these updates in the corresponding Annual Report on the Remuneration of Directors made available to the shareholders upon notification of a General Meeting.

(ii) Variable annual remuneration aimed at strengthening the director's commitment to the Company and as a performance incentive, linking part of this remuneration to the Company's performance and the director's individual performance.

The variable annual remuneration will consist of an annual premium or *bonus* system amounting to a maximum of 550,000 euros for the fulfilment of objectives, which may be adjusted by 10% upward or downward, based on the director's individual performance.

The variable remuneration will be paid after year end and determined taking into account the year end results.

Besides the director's professional performance, the fundamental parameters for the accrual of the variable remuneration shall be the evaluation of the Company's performance, taking into consideration both quantitative objectives such as its order/award portfolio, margin (EBITDA) and consolidated revenue as well as non-financial objectives which shall include parameters such as safety and the environment.

Specifically, the variable annual remuneration shall be linked to the following targets and weightings for fiscal year 2023:

- Financial targets: consolidated revenue (20%), order portfolio (30%) and margin (EBITDA) (30%).

- Non-financial targets: safety (10%) and the environment (10%).

The above targets have an associated scale of achievement that includes a minimum threshold below which the LTIP will not be paid. In particular, the Company will assess minimum weighted compliance of between 50% and 70% of the total targets.

The specification of the objectives and their weightings for future fiscal years during the term of this Remuneration Policy, the adjustment of 10% for performance evaluations and the sum receivable in each of the years be the responsibility of the Board of Directors, at the proposal of the Company's Appointments and Remuneration Commission.

The Company's Annual Report on the Remuneration of Directors will detail the achievement of specific targets for each fiscal year and the level of compliance thereof.

In any case, any reservations in the external auditor's report that weaken the Company's results shall be taken into account when establishing the variable remuneration.

Variable remuneration is deferred and paid only after fiscal year end so the Company may evaluate and verify compliance with the parameters established for the determination of the corresponding remuneration. The evaluation shall be carried out, among other aspects, on the basis of the annual results of the Company and its consolidated group, which shall be analyzed by the Audit and Control Commission. After such analysis, the Appointments and Remuneration Commission will submit the proposal for variable remuneration to the Board of Directors, which will approve the amount of variable remuneration, if any.

(iii) Long-term variable remuneration with the aim of promoting reciprocal value creation for the Company, its shareholders and beneficiaries, strengthening the commitment of the latter and rewarding the creation of sustainable value for shareholders over the long term.

Thus, executive directors shall be entitled to participate during the term of this Remuneration Policy in any long-term variable remuneration programs in cash, shares or referenced to the value of the share that are approved by the General Meeting, at the proposal of the Board of Directors, following a report from the Appointments and Remuneration Commission.

To this end and following a report in favor by the Appointments and Remunerations Commission, the Company's Board of Directors has agreed to propose a long-term variable compensation plan ("LTIP") for executive directors, applicable under the terms provided for below and forming part of the Policy. This plan shall be applied in accordance with any developments approved by the Board of Directors, where appropriate.

Designed as a long-term incentive or linked to the objectives of the Business Plan, it will allow executive directors, who are the beneficiaries of this Plan, to receive a certain amount in cash.

The LTIP has been designed in accordance with the principle of prudence and has taken into account current trends in comparable companies and the best practices of various actors in the market.

The purpose of the LTIP is to (i) promote reciprocal value creation for the Company, its shareholders and beneficiaries; (ii) guide the management team in achieving the objectives of the business plan; (iii) enhance the dedication and commitment of the beneficiaries in the performance of their duties; (iv) offer incentives for the long-term performance and professional efficiency of the executive directors; and (v) promote the sustainability of the Company for the creation of long-term value.

The LTIP will have a duration of three years, being applicable to fiscal years 2023, 2024 and 2025, and will be paid, if applicable, in fiscal year 2026, after the approval of the annual accounts, and once the Board of Directors has approved the degree of compliance with the established objectives.

The maximum annual cap on the LTIP shall be equal to 75% of the executive directors' fixed annual remuneration.

The LTIP shall have as key parameters at least two financial objectives representing the long-term value generation and/or profitability of the Company. In particular, the following objectives and weightings shall be taken into account:

- Total shareholder return in relation to the comparison group (30 %).
- Cumulative EBITDA for the period (60%).
- Qualitative factors linked to the strategic plan (10%).

The above targets have an associated scale of achievement that includes a minimum threshold below which the LTIP will not be paid. In particular, compliance with at least 80% of the EBITDA target shall be required.

The specification of the objectives and their weightings for future fiscal years during the term of this Remuneration Policy shall be the responsibility of the Board of Directors, at the proposal of the Company's Appointments and Remuneration Commission. The Company's Annual Report on the Remuneration of Directors will detail the achievement of specific targets for each fiscal year and the level of compliance thereof.

The payment of the LTIP will be linked to the permanence in the Company, without prejudice to the fact that, in the event of death, disability, retirement, corporate resignation and cases of termination of the business relationship that are not caused by a breach of duties or responsibilities, the executive director will retain the right to receive a part of the LTIP proportional to the time elapsed until the termination. In other cases of termination of the executive director's relationship with the Company, the executive director shall not be entitled to receive any amount derived from the LTIP.

Likewise, in the event of a change in control, when a new shareholder becomes the holder of more than 30% of the Company's voting rights, the beneficiary will retain the right to receive the LTIP as if the objectives had been 100% met.

(iv) A long-term savings scheme linked to retirement, permanent disability in cases of total, long-term and near-total disability, and death, for the purpose of supplementing any public social security benefits.

In particular, executive directors shall be entitled to the Company's general system of social benefits, whereby the Company makes a supplementary contribution to the retirement plan made by the executive director him/herself, the amount of which depends on various factors such as, for example, length of service in the company.

Without prejudice to the foregoing, while the Remuneration Policy is in force, executive directors shall have the right to participate in all long-term savings schemes approved at the General Meeting of Shareholders following a proposal by the Board of Directors on the basis of a report by the Appointments and Remuneration Commission.

(v) <u>An indemnity for early termination and post-contractual non-compete agreement:</u>

a. An indemnity for early termination in the event of removal from their position of director or any other form of termination of the legal relationship with the Company that serves as the basis for the remuneration of delegated or executive duties not due to breach attributable to the director, for a maximum amount equivalent to the sum of the last two yearly payments of (a) fixed remuneration, (b) variable remuneration, and (c) amounts received by virtue of any special Social Security agreements that have been signed.

b. Post-contractual non-compete agreements: for a period of two years from the termination of the contract with the Company, executive directors may not provide professional services or carry out administrative or managerial duties in companies or entities with a corporate purpose wholly or partially similar to that of the Company unless expressly approved by the Board of Directors upon a proposal from the executive director.

Financial compensation for this post-contractual non-compete agreement will be understood to be included in the indemnity for termination of the contract described in paragraph a) above.

(vi) <u>A welfare benefit</u> consisting of a life and accident policy within the framework of the conditions in force under the collective policy taken out by the Company for all its employees:

a. Life insurance: the insured capital for death or long-term permanent disability shall be the sum of two annual payments of the fixed annual renumeration the directors who perform delegated or executive duties shall have the right to receive.

b. Accident insurance: the insured capital for death or long-term disability due to an accident shall be the sum of four annual payments of the fixed annual renumeration the directors who perform delegated or executive duties shall have the right to receive.

(vii) <u>A company vehicle</u> which Técnicas Reunidas will assign along with a parking spot near his/her offices for remaining with the Company and in accordance with the corporate policy. The Company will pay all expenses inherent to the use of the vehicle and said parking spot.

The receipt of the variable remuneration indicated in points (ii) and (iii) above shall require compliance with the conditions established on this matter by Order PCM/679/2020, of 23 July and, as a result, the reimbursement by the Company of 75% of the temporary public aid received by Técnicas Reunidas chargeable to the Fund to Support the Solvency of Strategic Companies. Once said reimbursement is made the directors performing executive duties within the Company may receive the variable remuneration established in this Remuneration Policy. All of the foregoing will be reported in detail in the Annual Report on the Remuneration of Directors.

VI. BASIC CONDITIONS OF CONTRACTS FOR DIRECTORS WITH DELEGATED OR EXECUTIVE DUTIES

Pursuant to the provisions of article 249.4 LSC, all of the items of remuneration comprising the remuneration for a director with delegated or executive duties as well as the basic conditions for the performance of their duties must be written in a contract that must be signed by the Company and the director. All such contracts must be previously approved by the Board of Directors by a majority of two-thirds of the members with the director in question abstaining. 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.

The basic conditions of contracts signed by the Company and directors with delegated or executive duties include the following, among others:

(i) Remuneration: the executive directors' contracts include the remuneration package they are entitled to receive for the performance of their delegated or executive duties.

(ii) Indefinite term: contracts for directors with delegated or executive duties shall be subject to indefinite terms.

(iii) Advance notice periods: contracts for directors with executive duties shall establish a period of three months advance notice for situations where both the Company as well as the Director wish to terminate the contract without just cause.

(iv) An indemnity for early termination: a maximum amount equivalent to the sum of the last two yearly payments of (a) fixed remuneration, (b) variable remuneration, and (c) amounts received by virtue of any special Social Security agreements that have been signed.

(v) Post-contractual non-compete clause: for a period of two years from the termination of the contract with Técnicas Reunidas, executive directors must not enter into competition with the Company under the terms described above. Financial compensation for this post-contractual non-compete agreement will be understood to be included in the indemnity for termination of the contract described in paragraph (iii) above.

(vi) Non-compete clause: the executive directors' relationships with the Company are exclusive and therefore, said individuals must not provide services to other entities during the term of their contract unless expressly authorized to do so by the Board of Directors upon a proposal from the executive director, with the exception of any positions held in other companies in the Técnicas Reunidas Group.

(vii) Duty of confidentiality: executive directors must ensure that any information, data, reports or background knowledge acquired in the performance of their duties are kept confidential, and this confidentiality must be maintained even when no longer in such office.

VII. CONTRIBUTION OF THE REMUNERATION POLICY TO THE COMPANY'S LONG-TERM SUSTAINABILITY, INTERESTS AND STRATEGY

As already mentioned, the profitability and sustainability of the Company and its Group is one of the principles underlying the Técnicas Reunidas Remuneration Policy.

To this end and in particular, the Policy is aimed at providing long-term incentives for the sustainable achievement of results and alignment with the interests of the shareholders and all Técnicas Reunidas stakeholders.

Particularly and in relation to the creation of sustainable value, the Company's Sustainability Policy sets forth the principle of establishing general remuneration policies for directors and management linked to the achievement of said goals and, to this end, the Company provides complete and itemized information on the connection between directors' and management's remuneration and environmental, safety and health and any other goal related to sustainability.

Pursuant to the foregoing, the remuneration for executive directors shall encourage their professional performance and results and reward long-term value creation. In particular, the variable components of the remuneration for executive directors shall be linked to preset and measurable criteria which consider the risk faced in order to get results, promote the Company's sustainability and shall be configured on the basis of a balance between compliance with short-term, medium-term and long-term goals in a way that it does not derive simply from isolated, occasional or extraordinary events or the general evolution of the markets or Company's sector of business.

VIII. LINK BETWEEN THE POLICY AND THE REMUNERATION AND EMPLOYMENT CONDITIONS FOR TÉCNICAS REUNIDAS EMPLOYEES

Técnicas Reunidas has established a remuneration scheme through which it offers all of its professionals (including Directors, management and all other employees) a fair level of remuneration in line with the job market conditions.

Thus, the Company seeks to retain talent and motivate all of its professionals meaning the establishment of remuneration for employees, whether management or non-management, is based on criteria related to their position, duties, competencies, professional performance and degree of responsibility. Based on these criteria, the Company maintains on all levels what it considers to be a fair and reasonable remuneration scheme. To this end, the conditions of remuneration and employment of the Company's employees have been taken into account to the extent possible when establishing the remuneration conditions for the Directors in this Remuneration Policy.

This is because Técnicas Reunidas promotes the professional and personal development of all of its employees, ensuring equal opportunities through its action policies. As part of its efforts to do so, Técnicas Reunidas shall maintain a rigorous and objective professional selection program based solely on the candidates' professional, academic and personal merits and Técnicas Reunidas needs so as to promote a merit-based corporate culture.

IX. REMUNERATION POLICY APPLICABLE TO NEW DIRECTORS

If new non-executive members join the Board of Directors while this Policy continues to be in effect, the remuneration scheme described in section IV above shall apply to them.

At the same time, the remuneration scheme described above shall be applicable to any director who may be designated to perform delegated or executive duties at any time while this Policy continues to be in effect.

For these purposes, the proposal by the Appointments and Remunerations Commission to the Board of Directors shall particularly take into consideration the duties assigned, the responsibilities undertaken, the candidate's professional experience, the market remuneration for the same position and any other details deemed important when determining the items and sums of the remuneration scheme applicable, where appropriate, to the new executive director. All of this will be duly reflected in the corresponding contract to be signed by and between the Company and the new executive director.

The inclusion of new directors as well as their specific remuneration packages during their first year as director shall be disclosed in the corresponding Annual Report on the Remuneration of Directors. In addition, any modification or new Directors' Remuneration Policy individually establishing remuneration for new directors must also be submitted for approval at the following General Meeting of Shareholders held.

By exception and in order to make it easier to hire an external candidate, the Appointments and Remunerations Commission may suggest the Board of Directors establish a special incentive to compensate for the loss of unpaid incentives for their prior position due to their resignation of such position in order to accept the Company's offer.

X. VALIDITY OF THE REMUNERATION POLICY

Pursuant to the provisions of article 529.novodecies.1 LSC, the Company will apply this Remuneration Policy from January 1, 2023 to December 31, 2025.

Any modification or substitution of the Remuneration Policy during those fiscal years will require prior approval from the General Meeting of Shareholders without prejudice to the provisions of article 529.novodecies.5 LSC.

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