



REPORT ON THE OPERATION OF THE  
RISK AND MANAGEMENT COMMISSION

FISCAL YEAR 2021

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## REPORT ON THE OPERATION OF THE RISK AND MANAGEMENT COMMISSION DURING FISCAL YEAR 2021

### 1. INTRODUCTION

The revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2 (“LSC”) establishes in Article 529 nonies that the Board of Directors must annually evaluate its operation and that of its Commissions, and Recommendation 36 of the Good Governance Code of Listed Companies (the “Good Governance Code”) establishes that the evaluation of the Commissions shall be based on the report they submit to the Board of Directors.

Based on the foregoing, the Risk and Management Commission of Técnicas Reunidas, S.A., (the “Company”) has prepared this report on its operation during the 2021 fiscal year, which will be available to shareholders and other stakeholders on the Company’s website from the time the formal notice of the Ordinary General Shareholders’ Meeting is sent out, in accordance with Recommendation 6 of the Good Governance Code

### 2. COMMISSION REGULATION

The Company’s Risk and Management Commission is regulated in Articles 30 bis of the Company’s Bylaws and 15 of the Board of Directors’ Regulations. These documents are permanently published for consultation on the Company’s corporate website ([www.tecnicasreunidas.es](http://www.tecnicasreunidas.es)).

### 3. COMPOSITION

In accordance with the aforementioned Articles 30 bis of the Company’s Bylaws and 15 of the Board of Directors’ Regulations, the Risk and Management Commission must be comprised of a minimum of three and a maximum of eight directors, appointed by the Board of Directors, and may include an executive director.

Likewise, the President of the Risk and Management Commission shall be elected by the Board of Directors for a term of four years and may be re-elected one or more times for terms of the same duration.

During the 2021 fiscal year, the Risk and Management Commission did not change its composition and was as follows:

Director	Position	Category
Mr. Juan Lladó Arburúa	President	Executive
Mr. Pedro Luis Uriarte Santamarina	Vice-President	Independent
Ms. Petra Mateos-Aparicio Morales	Member	Independent
Mr. Fernando de Asúa Álvarez	Member	Other non-executive
Mr. José Manuel Lladó Arburúa	Member	Proprietary
Mr. José Nieto de la Cierva	Member	Independent
Mr. Rodolfo Martín Villa	Member	Other non-executive
Mr. Alfredo Bonet Baiget	Member	Independent
Non-Board Member Secretary: Ms. Laura Bravo Ramasco.		

- Mr. Juan Lladó Arburúa (President) is the executive director. He was re-elected as a director at the General Meeting held on June 25, 2020 and appointed member and President of the Commission on July 28, 2020, subsequent to the formalization of the Commission in the Company's Bylaws.

Mr. Lladó Arburúa holds a degree in Economics from Georgetown University (Washington DC) and an MBA from the University of Austin (Texas). As for his professional career, Mr. Lladó Arburúa has extensive experience in administration and management in several leading national and international private companies. He has held senior executive positions in several companies, such as Treasurer of Argentaria (1997-1998) and Vice-President of the Company since 1998 and President from June 25, 2020.

- Mr. Pedro Luis Uriarte Santamarina (member) is an external independent director. He was re-elected as a director at the General Meeting held on June 25, 2020 and appointed member and Vice-President of the Commission on July 28, 2020, subsequent to the formalization of the Commission in the Company's Bylaws.

Mr. Uriarte Santamarina holds a degree in Economics and Law from the Deusto Business School in Bilbao. He has extensive experience after 52 years of professional career in the industrial sector (9 years), financial sector (23 years), where he became Vice-President and CEO of the Board of Directors of BBV and BBVA, consultancy (14 years), R&D&i (2 years) and 4 years in the Public Administration, as Minister of Economy and Finance in the first Basque Government, from 1980 to 1984. In addition, for seven years he was a university professor at the Commercial University of Deusto, in subjects related to the transformation of the

company and advanced management. Subsequently he collaborated with various business schools (Deusto Business School, IESE, ESADE, etc.). Since 2002, he has been CEO of Economía, Empresa, Estrategia, a strategic consulting firm that he himself founded. He combines this position with that of director and advisor at several companies and cooperates with a variety of university and social activities.

- Ms. Petra Mateos Aparicio (member) is an independent director. She was re-elected as a director at the General Meeting on June 25, 2020 and designated a member of the Commission on July 28, 2020, after the Commission was formalized in the Company's Bylaws.

Mrs. Mateos Aparicio holds a PhD "cum laude" in Economics and Business Administration from the Complutense University of Madrid and is a Professor of Financial Economics. She has been Vice President of the Spain-U.S. Chamber of Commerce since July 2011. She has been the Executive President of Hispasat (2004-2012), Non-Executive President of Hisdesat (2005-2011), Director of Hispamar Satélites (Brazil), Director of Xtar Llc (USA) from 2005 to 2012, and a Member of the Board of Directors of Solvay (2009-2013). From 1983 to July 1985, she was a Director of Iberia and Banco Exterior de España, where she was Deputy Managing Director from 1985 to 1987. She was also a Director of Banco CEISS (2004-2018), a part of the Unicaja Group, from 2014 until its merger with Unicaja in September 2018. She has extensive academic experience as Professor of Financial Economics at the Department of Business Economics and Accounting in the Faculty of Economics and Business Administration of the National Distance Education University (UNED) (1982-2015); Professor of Financial Economics at the University College of Financial Studies (CUNEF), as well as member of the National Board of Directors of the Spanish Institute of Financial Analyst (IEAF) since 2011 and member of the Board of ANECA during the period 2009-2015.

She has also received various awards and distinctions, such as the Knight of the Order of the Legion of Honor of the French Republic; Business Leader of the Year (2010), awarded by the Spain-U.S. Chamber of Commerce; and the Women Together Foundation Award (2009), awarded by the United Nations Economic and Social Council (ECOSOC).

- Mr. Fernando de Asúa Álvarez (member) is another non-executive director. He was re-elected as a director at the General Meeting held on June 27, 2018 and appointed member of the Commission on July 28, 2020, subsequent to the formalization of the Commission in the Company's Bylaws.

Mr. de Asúa Álvarez holds a degree in Economics and Computer Science from the Complutense University of Madrid and a degree in Business Administration and Mathematics from the University of California (USA). His professional experience is centered on a long career at IBM and IBM Spain between 1959 and 1991, having been General Manager of the South America Area and later Europe, President and CEO of IBM Spain and director of IBM World Trade Corp. He was First Vice-President of Banco Santander Group from 2004 to February 2015.

- Mr. José Manuel Lladó Arburúa (member) is a proprietary director. He was re-elected as a director at the General Meeting on June 25, 2020 and designated a member of the Commission on July 28, 2020, after the Commission was formalized in the Company's Bylaws.

Mr. Lladó Arburúa has a BSBA from Georgetown University and an MBA from the University of Chicago. In his professional career, he has been manager of the international corporate finance division of Citibank N.A. (1986-1990) Managing Director of the Chase Manhattan Bank, with responsibility for Global Market Sales for Spain (1990-2001) and Assistant Deputy Managing Director of Banesto, with responsibility over the International and Treasury area (2001-2004). He has been a director of CESCE (2001-2004), Managing Director and Founder of Ideon Financial Services (2004-present), Founding Partner, President and Director of Summa Financial Services (2013-present), Founding Partner and President of Borrox Financial Solutions (2017-present), Founding Partner of Summa Financial Services (2004-present) and Managing Director of Ideon Financial Services (2008-present), as well as Managing Director of Araltec, S.L., Director of Ideon North America (subsequently Choice) (2008-2019) and Founding Partner and President of Borrox Financial Solutions (2017-present). He is a member of the Board of Directors of Aragonesas Promoción de Obras y Construcciones, S.L. (Director), Layar Castilla, S.A. (President), Summa Investment Solutions, S.A. (President), Choice Financial Solutions, S.L. (Director), Fintonic Servicios Financieros, S.L. (Director), León Valores S.A., SICAV (Director), Araltec, S.L. (Vice-President) and Aragonesas Promoción de Obras y Construcciones (Director).

- Mr. José Nieto de la Cierva (member) is an independent director. He was appointed director at the General Meeting held on June 27, 2018 and appointed member of the Commission on July 28, 2020, subsequent to the formalization of the Commission in the Company's Bylaws.

Mr. Nieto de la Cierva has a degree in Economic Sciences and Business Administration from the Complutense University of Madrid. He has

developed his professional career in the private sector, as a member of the consultancy department of KPMG Spain (1988-1989), subsequently part of the JP Morgan Group (1989-2002), Director of the Chase Manhattan Bank (1998-2002) and Managing Director of Corporate Banking for the Chase Manhattan Bank in Spain (1998-2002). He subsequently joined Banesto (2002-2010), where he was Deputy Managing Director of Corporate Banking (2002) and Managing Director of Wholesale Banking (2006). He has also held posts in the Banca March Group (2010-2017), where he was President of Banco Inversis, CEO of Banca March, Director and member of the Audit Commission of Corporación Financiera Alba, Director and member of the Executive Commission of Ebro, Director of Consulnor and Director of Aegon España. He is also currently Deputy Managing Director of Banco Sabadell, having held this position since 2018.

- Mr. Rodolfo Martín Villa (member) is an independent director. He was appointed director at the General Meeting held on June 26, 2019 and appointed member of the Commission on July 28, 2020, subsequent to the formalization of the Commission in the Company's Bylaws.

Mr. Martín Villa holds a degree in Industrial Engineering from the Technical University of Madrid and is a member of the State Body of Financial Inspectors. In the public sector, Mr. Martín Villa has been, among other notable positions, Civil Governor of Barcelona (1974-1975), Minister of Trade Union Relations (1975-1976), Home Office and Interior Minister (1976-1979) and Minister of Territorial Administration between 1980 and 1981, as well as Vice-President of the Government in 1981 and 1982, Senator from 1977 to 1979 and Member of Parliament in two periods (1979-1983 and 1989-1997). He has also been President of the Commission on Budgets (1989-1996), Justice and the Interior (1996-1997) and President of the Toledo Pact on public pensions. In the business sector, Mr. Martín Villa has held positions of maximum responsibility in several first tier companies, such as President of Ibercobre (1979-1980), U.C.B. España (Unión Chimique Belge) (1990-97), of the Control Commission of the Caja de Ahorros de Madrid (1993-1997), Endesa (President from 1997 to 2002), Endesa Italia (2001-2003), Enersis (Chile) (1997-1999) and Sogecable (President from 2004 to 2010). Additionally, Mr. Martín Villa is a full member of the Council of the Pontifical University of Salamanca, the Free College of Emeritus Academics and the Ramón Menéndez Pidal Foundation.

- Mr. Alfredo Bonet Baiget (President) is an independent director. He was appointed director at the General Meeting held on June 27, 2018 and

appointed member of the Commission on July 28, 2020, subsequent to the formalization of the Commission in the Company's Bylaws.

Mr. Bonet Baiget holds a degree in Economics and Business Administration from the Complutense University of Madrid and is a Commercial Attaché and a State Economist. His professional career includes the positions of Economic and Commercial Counselor of Spain in Miami (1987-1991) and Milan (1993-1997). Deputy General Director of Trade Policy for the EU and Relations with the GATT (1991-1993). General Manager of Altair Asesores (1997-2001). General Manager of Promotion of the Spanish Institute for Foreign Trade (ICEX) (2001-2004). Secretary General of Foreign Trade and member of the Boards of Directors of Instituto de Crédito Oficial (ICO) and Navantia (2004-2010). Secretary of State for Foreign Trade and President of ICEX and Invest in Spain (2010-2012). Chief Economic and Commercial Counselor at the Spanish Delegation to the OECD (2012-2015). International Director of the Spanish Chamber of Commerce (2015-present). President of the State Association of Commercial Attachés and Economists (2017-present). Since 2018 he has been Secretary General of the Círculo de Empresarios.

Detailed information on the members of the Commission and their professional background is available to shareholders, investors and other interested parties on the Company's website.

In accordance with the foregoing, the Commission has been composed entirely of directors appointed by the Board of Directors, taking into account the Commission's duties and ensuring that its composition meets the various diversity criteria, among others, those related to the knowledge, skills, professional experience, competencies, personal abilities and sectoral knowledge of its members.

Likewise, during the 2021 fiscal year, four independent directors have been members of the Commission.

#### 4. COMPETENCIES OF THE COMMISSION AND ACTIVITIES CARRIED OUT DURING THE FISCAL YEAR

In accordance with Article 15.2 of the Board of Directors' Regulations, and without prejudice to other functions that may be assigned to it by the Board of Directors, the Commission has, among other, the following basic responsibilities:

- a) Periodically review the impact of the operations and planning of the Company and its Group.



- b) Analyze the financial and resource efficiency of each Project of the Company and its Group.
- c) Analyze the commercial policy guidelines and the conditions of the most relevant offers of the Company and its Group.
- d) Periodically monitor the Company's projects, and in particular, those that are most relevant for economic, technical or reputational reasons.
- e) Monitor periodic analyses of the geopolitical situation of the countries where the Company and its Group operate.
- f) Prepare periodic analyses of customer and supplier solvency ratios.
- g) Prepare and monitor the risk map of the Company and its Group.
- h) Analyze and report on the global approach and strategy of the Company and its Group.
- i) As regards all the foregoing points, to promote the regulatory compliance system and activities of the Company and its Group.

In particular, during the 2021 fiscal year, the Risk and Management Commission carried out the following activities:

- Monitoring of the evolution and management of the Group's various projects. This includes the analysis of all the projects, the most relevant of which are analyzed in more detail.
- Analysis of the market and the opportunities it offers, potential competitors of the Company and the status of awards and prospects.
- Study and analysis of the Group's energy transition strategy, specifically as regards the assessment of projects and agreements that are relevant for the Company to position itself strategically and appropriately in energy transition.
- Monitoring the activities of the Energy Transition Committee created in 2020.
- Monitoring the Group's new internal communication plan.
- Monitoring of the Group's economic, financial and treasury planning, including the forecast of results and procedures in progress and studying the various financing alternatives/mechanisms and monitoring the working group comprised of Board Members, Directors and an External Advisor.

- Monitoring, study and analysis of the process opened to strengthen the Company's financial capacity, with support from the SEPI.
- Monitoring the strategic lines for the 2021-2024 period.
- Analysis of the Company's assets, the management of the human resources and general services structure, specifically with regard to studying the schedule for anticipated hiring.
- Monitoring and management of exchange orders and deposits on account and of ongoing procedures. In this regard, during the 2021 fiscal year, specialized appraisers have been asked to assess the quality of the exchange orders.

## 5. MEETINGS

In accordance with the provisions of Article 15 of the Board Regulations, the Commission shall ordinarily meet at least eight times a year. It shall also meet whenever the Board of Directors or its President requests the issuance of a report or the adoption of proposals within the scope of its competencies and, in any case, whenever it is convenient for the proper performance of its duties.

In the period from January 1, 2021 to December 31, 2021, the Risk and Management Commission met 10 times, having been convened by the Secretary, by order of the President, through individual communication to each of its members.

All the members of the Commission attended all the meetings held, either in person or by electronic means.

In addition to its members, the following persons have attended the meetings of the Risk and Management Commission, at the invitation of the President of the Commission, to deal with certain items on the Agenda:

- Corporate General Manager.
- Chief Financial Officer.
- Chief Operating Officer.
- Commercial General Manager.
- HR and GS General Manager.
- Internal Audit Manager.

Likewise, when deemed appropriate, external advisors (in particular, Pérez Llorca Abogados) have participated in the meetings of the Risk and Management Commission to deal with specific matters within their competence, and no potential conflicts of interest have been reported by the advisors or identified by the Commission.

All the guests invited to the Commission have been invited by the President, have been present to deal with the items on the Agenda for which they have been requested and none of them have attended the deliberation and voting phases of the Commission meetings, and the minutes of the meetings have recorded the entries and exits of the various guests.

## 6. EVALUATION

During the 2021 fiscal year, the evaluation process corresponding to the 2020 fiscal year of the Board of Directors and its Commissions was carried out with the assistance of the external advisor Ackermann International. It was verified that the consultant is not the same one that advises the Company on the appointment of directors or senior executives or on compensation systems and whose independence has been verified by the Appointments and Compensation Commission.

The following areas were evaluated:

- The quality and efficiency of the operation of the Board of Directors.
- The operation and composition of its Commissions.
- Diversity in the composition and competencies of the Board of Directors.
- The performance of the President of the Board of Directors, the Executive Vice-President and the Secretary of the Board.

Regarding the methodology used, the evaluation of the various Commissions was based on the report submitted by these Commissions to the Board of Directors, and for the evaluation of the Board of Directors, on the report submitted by the Risk and Management Commission. In addition, the external consultant held interviews with the members of the Board as part of the evaluation process.

It should be noted that, in general terms, the evaluation of the operation of the Board of Directors and its Commissions is the same as that of the last two years. In particular, the following aspects, among others, were very positively reviewed: the high technical qualifications and professional experience of the members, the fluid and transparent communication between members of the Board, the

work climate and collaboration observed among the directors, the trust observed in the management team and the immense appreciation for and trust in the executive secretary.

Regarding the actions included in the action plan provided in Article 529 nonies of the LSC, the main areas for improvement identified by the directors were the following: to continue analyzing the Board's structure and composition with the aim of promoting age and gender diversity in its composition, to foster discussions on strategy, transformation and vision in the long term, bolster knowledge of the management team, improve the provision of documentation for meetings and intensify information concerning risks.

In particular, with respect to the Risks and Management Commission, the Board members positively evaluated its operation during the fiscal year, considering that it has performed its functions adequately. Regarding the actions included in the action plan, the main recommendation of the Board members was to continue strengthening the planning of the matters to be dealt with during the fiscal year.

## 7. CONCLUSIONS

Based on the foregoing, the Risks and Management Commission has evaluated its composition and operation during fiscal year 2021, considering that:

- The composition of the Commission has been adjusted to the provisions of the LSC and its internal rules, with members having the knowledge and experience appropriate to the competencies of the Commission and the sector of activity to which the Company belongs, with four of its members being independent directors, and the Executive President chairing the Commission.
- The Commission has met more frequently than that established in Article 15 of the Board Regulations, whenever necessary in view of the matters to be discussed at the meeting.
- All the meetings of the Commission have been attended by all its members.
- Finally, the Commission has discussed and reached agreements on matters within its competence, in an informed manner and after discussions in which there has been constructive dialogue and a critical attitude, favoring diversity of opinions. Likewise, when necessary, the Commission has benefited from the advice of external experts.



In accordance with the foregoing, the Risks and Management Commission has complied in general terms with the rules set forth in the Law and its internal rules regarding composition, frequency of meetings, attendance and informed participation of its members, and the Commission has also dealt with the matters within its competence, and its activity during the 2021 fiscal year has been very positively evaluated.

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*This Report on the operation of the Risks and Management Commission during the 2021 fiscal year was prepared by the Commission on 23 February 2022, having been submitted by the Board of Directors of the Company at its meeting held on 28 February 2022.*