



TECNICAS REUNIDAS

**REPORT ON THE OPERATION OF THE
RISK AND MANAGEMENT COMMISSION**

FISCAL YEAR 2023

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REPORT ON THE OPERATION OF THE RISK AND MANAGEMENT COMMISSION DURING FISCAL YEAR 2023

1. INTRODUCTION

Pursuant to the provisions of Article 7.4 of the Risk and Management Commission in effect at Técnicas Reunidas, S.A. (the “**Company**” or “**Técnicas Reunidas**”) and in order for the Board to be able to complete the annual evaluation of its operation and that of its Commissions, as set forth in Article 529 nonies of the recast text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July (the “**Spanish Corporate Enterprises Act**”), Recommendation 36 of the Good Governance Code of Listed Companies (the “**GGC**”) establishes that the evaluation of the Commissions shall be based on the report they submit to the Board of Directors.

Based on the foregoing, at its meeting on [*] [*], 2024, the Técnicas Reunidas, S.A. Risk and Management Commission issued this report on its operation during the 2023 fiscal year, which includes the information provided for in CNMV Technical Guidelines 3/2017 and 1/2019 on audit commissions and appointment and remuneration commissions, respectively, (“**Technical Guidelines**”), which will be at the disposal of its shareholders, investors and other interested parties on the Company’s corporate website (www.tecnicasreunidas.es) as of the call for the Ordinary General Meeting of Shareholders, as set forth in Recommendation 6 of the GGC.

2. COMMISSION REGULATION AND PRACTICAL GUIDELINES FOLLOWED

The Company’s Risk and Management Commission is regulated in Article 30 bis of the Company’s Bylaws and in the Técnicas Reunidas Risk and Management Commission Regulations, which include the basic principles and recommendations as concerns the Commission’s composition, duties and operation as set forth in the GGC Recommendations and in the Technical Guidelines.

The current version of said corporate texts is published for consultation on the Company’s corporate website (www.tecnicasreunidas.es) under “Organization Rules” which can be found in the “Corporate Governance” section which is in turn found under the “Shareholders and Investors” tab.

3. COMPOSITION

In accordance with the Articles 30 bis of the Company's Bylaws, Article 15 of the Regulations of the Board Of Directors and Article 3 of the Risk and Management Commission Regulations, the Commission must be comprised of a minimum of three (3) and a maximum of eight (8) directors, appointed by the Board of Directors, and may include an executive director.

Likewise, pursuant to Article 4 of the Commission Regulations, the President of the Commission shall be appointed 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 fiscal year 2023, the composition of the Risk and Management Commission changed.

Specifically, from January 1 to June 28, 2023 the Commission was comprised of the following members:

Director	Office	Category	Date of appointment as a member of the Commission
Mr. Juan Lladó Arburúa	Executive	President	June 28, 2022
Mr. Pedro Luis Uriarte Santamarina	Vice-President	Independent	June 28, 2022
Mr. José Manuel Lladó Arburúa	Director	Proprietary	June 28, 2022
Mr. José Nieto de la Cierva	Director	Independent	June 28, 2022
Mr. Rodolfo Martín Villa	Director	Other External	June 28, 2022
Mr. Alfredo Bonet Baiget	Director	Independent	June 28, 2022
Mr. Ignacio Sánchez-Asiain Sanz	Director	Independent	June 28, 2022
Non-Board Member Secretary: Ms. Laura Bravo Ramasco.			

At the Ordinary General Meeting of Shareholders held on June 28, 2023, Mr. Rodolfo Martín Villa ceased to hold office on the Company's Board upon

termination of the statutory four (4)-year period for which he had been appointed at the 2019 General Meeting and, therefore, was no longer part of the Risk and Management Commission.

No director was proposed to cover this vacancy and, as a result, as of June 28 until December 31, 2023, the composition thereof was as follows:

Director	Office	Category	Date of appointment as a member of the Commission
Mr. Juan Lladó Arburúa	President	Executive	June 22, 2022
Mr. Pedro Luis Uriarte Santamarina	Vice-President	Other External	June 22, 2022
Mr. José Manuel Lladó Arburúa	Director	Proprietary	June 22, 2022
Mr. José Nieto de la Cierva	Director	Independent	June 22, 2022
Mr. Alfredo Bonet Baiget	Director	Independent	June 22, 2022
Mr. Ignacio Sánchez-Asiaín Sanz	Director	Independent	June 22, 2022
Non-Board Member Secretary: Ms. Laura Bravo Ramasco.			

Acting as Secretary of the Commission was Ms. Laura Bravo Ramasco, the Secretary of the Company's Board of Directors.

The professional profiles of the members of the Commission are as follows:

- Mr. Juan Lladó Arburúa (President) has been the Executive Director since May 10, 2006. He was re-elected as a director at the Ordinary General Meeting of Shareholders on June 25, 2020; and designated a member of the Commission on July 28, 2020. He was re-elected to these offices on June 28, 2022.

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 companies. He has held senior executive positions in several companies, such as Treasurer of Argentaria (1997-1998). He is Vice-President I of Técnicas Reunidas, S.A. since 1998 and Executive President from June 25, 2020.

He is member of the Board of Directors of Araltec, S.L. and Joint Administrator of Aragonesas Promoción de Obras y Construcciones, S.L.

- Mr. Pedro Luis Uriarte Santamarina (member since June 22, 2011) is an independent director. He was re-elected as a director at the Ordinary General Meeting of Shareholders on June 25, 2020; and designated a member of the Commission on July 28, 2020. He was re-elected as a member of the Commission on June 28, 2022.

Mr. Uriarte Santamarina holds a bachelor's degree in Economics and Law from the University of Deusto in Bilbao. He has a total of 54 years of professional experience, having worked in the industrial sector (9 years), finance (23 years), consulting (16 years), I&D&i (2 years) and in Public Administration (4 years). He has been professor for more than seven (7) years at the University of Deusto in Bilbao, teaching subjects related to business transformation and advanced management. He has also collaborated with several business schools (Deusto Business School, IESE, ESADE, etc.). Within the banking sector, he was Vice-President (1997) and CEO (1994) of the Board of Directors at BBV and BBVA until 2001, Vice-President of the Board of Directors of Telefónica S.A. and Counselor of Economics and Finance (1980-1984) of the first Basque Government. He is also the Founder and Executive President of Economía, Empresa, Estrategia, S.L. (2002-present) and Second Vice-President of NTT Data Europe & Latam S.L.U. Lastly, he is a director and advisor for several companies and cooperates with several educational and social activities.

- Mr. José Manuel Lladó Arburúa (member) has been a proprietary director as proposed by Araltec, S.L. since May 10, 2006. He was re-elected as a director for the last time at the Ordinary General Meeting of Shareholders on June 25, 2020; and designated a member of the Risk and Management Commission on July 28, 2020. He was re-elected as a member of the Commission on June 28, 2022.

Mr. Lladó Arburúa holds a Bachelor of Science in Business Administration (BSBA) from Georgetown University and an MBA from the University of Chicago. In his professional career, he has been manager of

the corporate division of Citibank N.A. (1986-1990), General Director of the Chase Manhattan Bank, with responsibility of Global Market Sales for Spain and Assistant Deputy General Director of Banesto, with responsibility over the International and Treasury area. He has been a director of CESCE, Managing Director and Founder of Ideon Financial Solutions, Founding Partner, President and Director of Summa Investment Solutions, Founding Partner and President of Borrox Finance, as well as member of the Board of Directors of Raisin Technology Europe, S.L. (previously, Choice Financial Solutions, S.L.), Fintonic Servicios Financieros, S.L. and Ideon North America (subsequently, Choice). He is member of the Board of Directors of Aragonesas Promoción de Obras y Construcciones, S.L. and of León Valores, S.A., SICAV, as well as Director and President of Layar Castilla, S.A., Summa Investment Solutions, S.A. and Araltec, S.L.

- Mr. José Nieto de la Cierva (member) has been an Independent Director since his appointment through a resolution passed at the Ordinary General Meeting of Shareholders on June 27, 2018. He was later re-elected at the Ordinary General Meeting of Shareholders on June 28, 2022. Likewise, he was designated a member of the Commission on July 28, 2020 and re-elected as a member of the Commission on June 28, 2022.

Mr. Nieto de la Cierva has a bachelor's degree in Economics 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 consulting department of KPMG Spain, JP Morgan Group, Director of the Chase Manhattan Bank and General Director of Corporate Banking of the Chase Manhattan Bank in Spain between 1998 and 2002. Later, he joined to Banesto, where he was Deputy General Director of Company Banking and General Director of Wholesale Banking. He has also held positions at Banca March Group, 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 has also been Deputy General Director of Banco Sabadell between 2018 and 2022. Currently, he is President of Kenta Capital.

- Mr. Alfredo Bonet Baiget (member) has been an Independent Director since his appointment through a resolution passed at the Ordinary General Meeting of Shareholders on June 27, 2018 and was re-elected by the General Meeting of Shareholders on June 28, 2022. He was designated a member of the Commission on July 28, 2020 and re-elected as a member of the Commission on June 28, 2022.

Mr. Bonet Baiget holds a bachelor's degree in Economics and Business from the Complutense University of Madrid and is a Commercial Attaché and State Economist. In the field of public economics and trade, he has been Deputy Director General of EU Trade Policy and GATT Relations (1991-1993), Economic and Commercial Counselor of Spain in Miami (1987-1991) and Milan (1993-1997), General Director of Promotion of the Spanish Institute for Foreign Trade (ICEX) (2001-2004), General Secretary of Foreign Trade and a 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) and Chief Economic and Commercial Counselor at the Permanent Spanish Delegation to the OECD in Paris (2012-2015). In the private sector, he has been General Manager of Altair Asesores (1997-2001), International Director of the Spanish Chamber of Commerce (2015-2018) and Secretary General of the Círculo de Empresarios (Spanish Business Leaders Circle)(2018-2022). Currently, he is an independent professional, member and secretary of the AMFRESH Group's Advisory Board, trustee of the CRE100DO Foundation and Vice-Chairperson of Madrid Open City.

- Mr. Ignacio Sánchez-Asiaín (member since May 25, 2020) is an Independent Non-Executive Director. He was appointed as a director at the Ordinary General Meeting of Shareholders on June 25, 2020; and designated a member of the Commission on May 24, 2022. He was re-elected as a member of the Commission on June 28, 2022.

Mr. Sánchez-Asiaín holds a bachelor's degree in Economics and Business Administration from the University of Deusto and an MBA specialized in Financial Intermediation from the Wharton School - University of Pennsylvania.

Professionally, Mr. Sánchez-Asiaín has been a stock market analyst at Prescott Ball & Turben, European Project Manager, member of the European Senior Advisory Board and Senior Advisor of Iberia at Oliver Wyman & Co., Director of International Business Development, General Director of Private Banking, General Director of Systems and Operations and member of the Steering Committee of the BBVA Group, General Director of Bilbao Bizkaia Kutxa (BBK), Corporate General Director of Kutxabank, CEO of Banco Popular and President of Gorbortia Órganos de Gobierno and Dilitrust Iberoamérica, S.L. He has also been member of the Board of Directors of Gobortia Global, Gobortia CEE, Gobortia Spain and Gobortia Peru.

Currently, Mr. Sánchez-Asiaín Sanz is President of Tradeslide Trading Tech, Ltd. and Sapiens Market EU Sociedad de Valores, S.A., and

member of the Board of Directors of Tradeslide Ventures, Ltd. and Weguest, S.L.

All the Commission members have the necessary knowledge, skills, experience and dedication to perform their duties.

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 corporate website.

In accordance with the foregoing, the Commission has been composed throughout fiscal year 2023 entirely of directors appointed by the Board of Directors, most of them independent directors, taking into account the Commission's duties and ensuring that its composition meets the various diversity criteria including those related to the knowledge, skills, professional experience, competencies, personal abilities and sectoral knowledge of its members as set forth by the Técnicas Reunidas Board of Directors Director Selection and Diversity Policy.

4. COMMISSION COMPETENCIES AND ACTIVITIES CARRIED OUT DURING FISCAL YEAR 2023

Article 15.2 of the Regulations of the Board of Directors and Article 5 of the Risk and Management Commission Regulations establishes the competences of the Risk and Management Commission without prejudice to any other duties that may be assigned by the Board of Directors:

- 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 guidelines of the commercial policies and analyze 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 in which the Company and its Group operate.
- f) Develop periodic analyses of customer and supplier solvency ratios.
- g) Develop and monitor the risk map of the Company and its Group.
- h) Analyze and report on the overall approach and strategy of the Company and its Group.
- i) As regards all the foregoing competences, to promote the regulatory compliance system and activities of the Company and its Group.

Pursuant to the foregoing, the Risk and Management Commission carried out the following activities during fiscal year 2023, among others:

- Follow-up on the evolution and management of various Group projects and new businesses, including the analysis of all of them, and the most relevant projects in more detail, including among others, the one hundred fifty million euros (€150,000,000) capital increase of completed in fiscal year 2023.
- Study and analysis of the Group's energy transition strategy for the 2021-2023 period and, specifically as regards the assessment of projects and agreements of interest with various companies to allow the Company to positioning itself strategically and appropriately in the energy transition, supported by digitalization as an efficient sales tool.
- Analysis of the impact of the war in Ukraine and problems deriving from the crisis in Algeria on the Company's activity and their indirect effect on costs.
- Monitoring of ongoing litigation and arbitration to which the Company is party, both in Spain and in other jurisdictions, with reports submitted to the Commission.
- Monitoring 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, with the relevant presentations made mentioning, among other matters: (i) forecasting the 2023-2025 results; (ii) forecasting liquid assets; (iii) reviewing opportunities for new projects; and (iv) challenges for the second half of the year.
- 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 and management of the human resources and general services structure. Specifically, during fiscal year 2023, the Commission analyzed the organizational changes made in the Company's Management.
- Monitoring and management of exchange orders and deposits on account and of ongoing procedures.
- Review and approval of the meetings calendar of the Risk and Management Commission for fiscal year 2024.

5. MEETINGS HELD DURING THE FISCAL YEAR, NUMBER OF ATTENDEES AND OTHER PEOPLE WHO APPEARED

In accordance with the provisions of Article 15 of the Regulations of the Board of Directors and Article 6 of the Risk and Management Commission Regulations,

the Commission shall meet ordinarily at least eight (8) times a year. Likewise, said article sets forth that the Commission 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 competences and, in any case, whenever it is suitable for the proper performance of its duties.

To this end, the Risk and Management Commission met eight (8) times during the period between January 1 and December 31, 2023 well enough in advance of Board of Directors meetings following a call by the Secretary upon orders from the President through individual notifications to each one of the members.

All the members of the Commission personally attended all the meetings held throughout the fiscal year, either in person or remotely.

Date	Type of meeting	Attendance
February 27, 2023	In-person/remotely	Seven (7)
March 28, 2023	In-person/remotely	Seven (7)
May 9, 2023	In-person/remotely	Seven (7)
June 22, 2023	In-person/remotely	Seven (7)
July 26, 2023	In-person/remotely	Six (6)
October 17, 2023	In-person/remotely	Six (6)
November 13, 2023	In-person/remotely	Six (6)
December 18, 2023	In-person/remotely	Six (6)

Besides attendance by its members and Secretary, the Risk and Management Commission meetings were attended by the people listed below following an invitation by the Commission President to discuss certain items on the Agenda for which their presence was strictly necessary without attending the deliberation and voting phases of Commission meetings. All external attendees' entries and exits are recorded in the meeting minutes:

- Mr. Eduardo San Miguel, CEO, on seven (7) occasions.
- Mr. Rodolfo Martín Villa, when no longer on the Commission until June 28, 2023, on four (4) occasions.
- Mr. Benjamín Zizumbo Ramírez, Head of Operational Digitalization (Digital Transformation and Operations Programs), on one (1) occasion.

- Mr. José María González Velayos, Director of Internal Auditing, on one (1) occasion.

Furthermore, the Commission President, in cooperation with the Secretary, channeled and facilitated the necessary information to all other Commission members sufficiently in advance so they could analyze it before the meetings were held.

Likewise, the Commission President encouraged constructive dialogue among members during the meetings, fostering freedom of expression and an attitude of analysis among all members, ensuring their free participation in all deliberations.

6. EVALUATION

During the 2023 fiscal year, the evaluation process corresponding to the 2022 fiscal year of the Board of Directors and its Commissions was carried out with the assistance of the external advisor KPMG. 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 Remuneration 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 and the Secretary of the Board.
- The performance and contribution of each director, paying special attention to the heads of the various Board Commissions.

As regards the methodology used, the evaluation of the different Commissions was based on the report submitted by them to the Board of Directors, and for the evaluation of the Board of Directors, on the report submitted by the Appointments and Remunerations Commission. Moreover, as part of the process, KPMG held various interviews with all the members of the Board and its Secretary.

During the evaluation process, the following aspects, among others, were very positively reviewed: the high technical qualifications and professional experience of the members of the Board, 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 Secretary of the Board.

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. As concerns the actions included in the action plan, the main recommendation from the directors referred to continuing to improve planning of meetings and of the matters to be handled throughout the year.

As a result of the Board's evaluation, an action plan was established with suggestions for improvement, including actions in the areas of meeting organization and procedures (i.e. holding a monographic Board Meeting on strategy each year, maintaining greater contact with members of senior management and preparing a financial and non-financial risk map), the composition of the Board (moving forward to this end on updating and improving competencies and diversity), and director training. In mid-2023, the Commission reviewed the Action Plan and recalled the goals included in it.

7. CONCLUSIONS

Based on all matters set forth in this Report, the Company's Risk and Management Commission has evaluated its composition and operation during fiscal year 2023 positively, considering that:

- The composition of the Commission has been adjusted to the provisions of the Spanish Corporate Enterprises Act, its internal rules as well as the Recommendations from the GGC, with members having the necessary and appropriate knowledge and experience to properly perform their duties and for the sector of activity to which the Company belongs, with the majority of its members being independent directors and with the Executive President presiding over it.
- The Commission has met whenever necessary in view of the matters to be discussed at the meeting and at least as frequently as established in Article 15 of the Board of Directors Regulations and Article 6 of the Risk and Management Commission Regulations.
- All the Commission meetings were attended by all the members, who attended physically at the meeting place or remotely using electronic means.
- The Commission members always had the necessary information with regard to the items on the Agenda subject of analysis and discussion available to them prior to the meetings so they could exercise their duties properly in an informed manner.
- Finally, the Commission has deliberated on and passed resolutions on the matters within its competence after discussions in which there has been a constructive dialogue and critical attitude, favoring the diversity of opinions, as provided for in the Technical Guidelines.



In accordance with the foregoing, it can be concluded that the Risk and Management Commission has complied 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 2023 fiscal year has been very positively evaluated.

This Report on the operation of the Risk and Management Commission during fiscal year 2023 was prepared by the Commission on February 27, 2024, and was submitted to the Company's Board of Directors for approval at its meeting held on February 28, 2024.