

2016 CORPORATE SOCIAL RESPONSIBILITY REPORT



BUILDING THE DIGITAL ERA

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Introduction

Management Solutions views Corporate Social Responsibility as acting in accordance with its corporate principles of trust and commitment to excellence and quality, going beyond the basic legal requirements.

The Firm recognizes the importance of carrying out its activity while contributing to society's sustainable growth. For this reason, Management Solutions takes on a commitment to help the communities of the countries in which it operates. Supporting the academic world and job creation, respect for human rights and care for the environment form a part of the Firm's business strategy, guiding its growth in a responsible manner.

The purpose of this publication is to provide Management Solutions' stakeholders with transparent and detailed information on the Firm's activities that have a significant impact on its wider environment, and could substantially influence our stakeholders' perceptions and decisions.

ManagementSolutions



Message from the Chairman



Alfonso Serrano-Suñer, Chairman and CEO of Management Solutions

We are in the midst of an unprecedented technological revolution, which is producing profound changes in client behavior and compelling us to take a new approach to resolving problems.

The most remarkable aspect of the times we live in is the pace of change, which is global (affecting all industries and countries) and having a major impact on the production, management and governance systems of all sorts of economic actors.

The ability to access, store, process and model data has grown exponentially, while the costs have come down significantly. People interact with each other increasingly through digital channels, consult social media before buying, and their perceptions of quality correlate almost perfectly with the next purchase they make. Furthermore, new competitors are coming into play, from niche technology companies to the giants of digital distribution. All of this precipitates a reassessment of business models.

Indeed, this new digital era is intimately linked to redesigning business models (putting the focus on the client), aligning organizational and governance structures (including data and model governance), gearing processes and systems toward greater commercial and operational efficiency, measuring and controlling risks and improving information management frameworks.

The ability to create value in the digital era is one of the most important challenges facing us. At Management Solutions we want to continue contributing to our clients' growth, helping them to steer their own digital transformation.

This requires us to be constantly updating our value proposition, reinforcing our international presence, increasing our specialist industry knowledge, enhancing and updating our service lines, putting ever more emphasis on R&D and Knowledge sharing, and always looking to make the most of our experience of working for leaders.

But, at Management Solutions, our concern has not just been what to do to make things happen, but also how to do it. Our actions are governed by principles and values that have been proven to generate value for our clients, professionals, business partners and society as a whole: unlimited commitment and dedication to service, humility, generosity, solidarity, team work, integrity, critical thinking and independent judgment, "meritocracy", a passion for work well done, an entrepreneurial attitude, perseverance in the pursuit of goals and the constant search for excellence, which in turn requires a combination of talent, effort and training.

2016 has been a very positive year for Management Solutions, achieving growth in turnover, creating employment in all our offices, increasing our client portfolio and attaining greater sectoral and geographic diversification. We have also significantly increased our investment in training and research, broadened our university links, widened our cultural and educational patronage and pursued a wide range of solidarity activities.

We have an outstanding team of nearly two thousand professionals who boast a strong analytical profile and in-depth knowledge of their industries, working across more than forty European, American, Asian and African countries, through twenty-three offices. We provide services to global and local clients who are leaders in their respective industries and we offer a differentiated value proposition supported by cutting edge R&D.

Today we are twenty-five times larger than we were when we set out on our journey only fourteen years ago; a Firm that is a leader in providing consultancy services in business, finance, risk, organization, processes and technology.

At Management Solutions we firmly believe that social responsibility is a strategic element in the management of our organization, a long-term commitment we acquire with our clients, professionals and communities in the countries in which we operate. With the publication of the eleventh edition of the Management Solutions' Corporate Social Responsibility Report, we seek to provide a transparent and detailed reflection of the progress that has been made in 2016 in different areas and, in particular, with regard to our social commitment.

A fundamental aspect of our social responsibility policy has always been, and will continue to be, our links with universities. We collaborate with more than 300 universities through signed agreements to provide work experience and internships, teaching Masters, classes and specialized seminars; cooperating in research programs, participating in job fairs, and sponsoring and supporting university foundations and associations.

Encouraging an entrepreneurial spirit is another line of action in our social responsibility policy. Initiatives in this respect have been extended to the field of education through our support of projects that pursue the development of entrepreneurial values, attitudes and skills through education in the early formative stages of children and youth.

Management Solutions' social commitment also includes participating in professional associations related to the Firm's

activity and in associations supporting scientific development and knowledge sharing, as well as in cultural associations through our sponsorship and patronage policies.

We are particularly sensitive to guaranteeing collective sustainable development and we take care to ensure our policies contribute to environmental conservation.

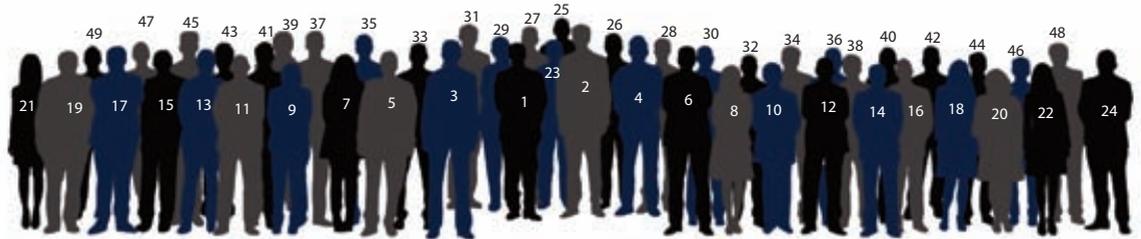
Finally, we continue to enthusiastically support and promote all community-service activities carried out by our professionals through Management Solutions' Social Action Group, whose selfless dedication to the less fortunate makes us especially proud.

At Management Solutions we look to the future with enthusiasm and confidence with a clear intention to play a decisive role in building the digital era.

Alfonso Serrano-Suñer
Chairman and CEO of Management Solutions

Partners Committee

- | | | | | |
|-----------------------------------|--------------------------|---------------------------|-------------------------|----------------------|
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| 10. Marcos Izena | 20. Soledad Díaz-Noriega | 30. Ricardo Gómez | 40. Carlos Vilá | |



RSC Report

Corporate Social Responsibility is a strategic element of Management Solutions' activity

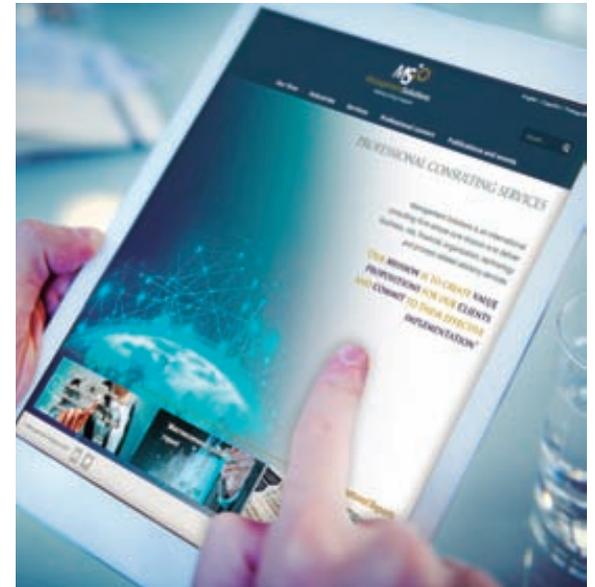
Aware that the growing success of our organization should lead to greater accountability in all areas and to all stakeholders (clients, employees, suppliers, universities and other institutions), in 2006 we published our first Corporate Social Responsibility Report.

Since then, we have prepared our annual Corporate Social Responsibility Report with the goal of sharing our experience and results with all our stakeholders, detailing the most significant consequences of our activities, as well as our commitments regarding the future.

To this end, each year we update the milestones achieved by the Firm throughout the year, both in terms of employment and from an economic, social and environmental standpoint, in all countries where we operate, setting targets that will serve as guidelines for the coming year.

We wish to express our confidence in this responsible business model, to make our commitment public and to engage our stakeholders, who are the focus of our actions but may also help us achieve our objectives.

This Corporate Social Responsibility Report details Management Solutions' achievements for the period between January 1 and December 31, 2016 in our offices in Europe (Spain, UK, Germany, France, Poland, Switzerland, Italy and Portugal), the Americas (USA, Mexico, Puerto Rico, Colombia, Brazil, Peru, Chile and Argentina) and Asia (China)



Report preparation process

Since 2008, our CSR report preparation process has followed the guidelines and recommendations of leading international organizations such as the Global Reporting Initiative (GRI), an institution whose mission is to improve the quality, rigor and usefulness of Corporate Social Responsibility reports. The structure and content of our report is intended to be useful for all our stakeholders in strict compliance with the sustainability report preparation guidelines published by GRI.

We believe that our clients, professionals and society as a whole are our main stakeholders.

Satisfying these groups occupies a central place in our corporate strategy, therefore establishing an optimal relationship with them constitutes a key objective. For this

reason, a section is devoted to each of these groups (Commitment to the client, Commitment to our professionals and Commitment to the environment), indicating how we understand our relationship with them.

At Management Solutions, we are aware that the communication channels established with each of our stakeholder groups are key to identifying and understanding their needs and what allows us to successfully respond to them.

The information obtained through these communication channels is key to better understanding the environment in which Management Solutions operates, and represents an important asset that allows us to anticipate the needs of our stakeholders, identify paths for improvement as well as new opportunities, evaluate new ideas and initiatives and launch new projects.

This view of corporate social responsibility is addressed from a dual perspective at Management Solutions: first, the business approach, understood as the commitment the Firm as an entity assumes towards its different stakeholders (commitment to the client, commitment to its own professionals and commitment to society); and, second, the Social Action approach, through supporting community service initiatives developed by our professionals, as well as encouraging and backing their collaboration with different NGOs and charities.



Solidarity Film Screening in Bilbao, Spain

CSR Road Map

The Firm's true commitment to responsible and sustainable practices means we don't just perform this important task, but also continue our ongoing search for the most appropriate formulas to maximize efficiency.

As could not be otherwise, the Firm's CSR is based on the business philosophy, culture and values that its ethical principles of conduct dictate. These values and principles are reflected in three key areas for the Firm: clients, team and environment.

This business philosophy is the basis or starting point of our commitment, which we decided to back with an international standard that would provide the Firm with a set of guidelines to help us channel our view of CSR and to direct our efforts towards working on a shared, long-term project.

For this reason, in December 2010, Management Solutions committed itself to the Millennium Development Goals (MDGs), an international initiative signed by the United Nations member countries. The goals stated in the initiative summed up our thinking as an organization in the area of corporate social responsibility. Although the deadline for this international initiative has passed and not all the goals initially set have been attained, substantial progress has been made in all areas. This has encouraged us to join forces with a new initiative launched by the United Nations: Sustainable Development Goals (SDGs). In this way we seek to contribute to protecting the planet and the prosperity of all people, especially of those groups most at a disadvantage.

The responsibilities arising from this decision require commitment and cooperation to improve the lives of billions of people, particularly in certain areas where we believe we are able to contribute the most, such as combating poverty and hunger, promoting health and welfare, fighting against all forms of discrimination, protecting the environment, investing in a universal quality education and contributing to entrepreneurship and quality jobs.

Approach

Management Solutions understands CSR as a commitment it undertakes in the daily performance of its business. Thus, respect for human rights is always present in the exercise of its activity, guiding its growth in a manner consistent with the principles of sustainable development.

We take on a commitment to support the local communities in countries in which we operate, as we believe that our involvement with society must go beyond the economic development and job creation aspects inherent in our activity. Precisely because our commitment goes further, we collaborate as far as possible in initiatives aimed at improving our socio-economic environment through social action as well as sponsorship and patronage activities.

Goals

A few years ago, we established a series of general CSR commitments. These commitments, which are a true reflection of Management Solutions' business philosophy, allow us to coordinate and further advance our efforts in the area of corporate social responsibility.

First, commitment to the excellence and quality that define all our action, which is achieved by minimizing any negative impacts that may arise from our business activity.

While the environmental impact of our activity is very limited (typical office aspects), there is a special sensitivity towards this subject in the Firm.

Continuing to promote social values is also a key objective. As such, we intend to continue increasing the number of community-service initiatives we perform, in line with the Sustainable Development Goals.

Finally, we will continue to work to increase the global reach of our CSR activities, strengthening Social Action efforts in all countries in which we operate.

Management system

Every year, we strive to improve our internal corporate social responsibility management system, enhancing CSR area functions. This area, reporting directly to the Firm's Executive Committee, has primary steering and management responsibility for CSR matters and performs the following functions:

1. Ensure CSR is integrated into our strategic business vision. CSR has to be a cross-cutting area affecting all business lines and present throughout the value chain.
2. Promote programs that meet the SDGs, both from the business standpoint and in terms of the work carried out by our Social Action Group.
3. Foster initiatives that add value to the different stakeholders. This requires integrating the expectations of our clients, professionals and the societies in which we operate.
4. Involve all of the Firm's areas and units in CSR, instilling the necessary attitudes and procedures.
5. Monitor and evaluate the commitments and obligations voluntarily included in our Master Plan, following up on the extent to which objectives have been met and analyzing the reasons for any deviations.

Sustainable Development Goals (SDGs)



In 2016 Management Solutions carried out the following actions aimed at reinforcing the Sustainable Development Goals:

Eradicate extreme poverty and hunger

- Organization of community-service events (charity screenings, charity sports activities, etc.) to collect food and essential goods in Europe and the Americas.
- Organization of a fund-raising concert to finance voluntary and cooperation activities promoted by the Firm's professionals.
- Volunteer program in Latin America, in collaboration with Ayuda en Acción, supporting people without resources.
- Participation in the Unicef race in Colombia in support of children's rights.
- Participation in the Somerville Homeless Coalition race in the United States, in support of homeless people in the vicinity.
- Collaboration with the dance festival "Zaki Dance", organized by Viva Bem Zaki Narchi in Brazil, an association which provides support to highly vulnerable children through sporting activities.
- Refurbishment of a welcome center belonging to the St. Christopher's association, an organization which provides support and housing to disadvantaged children and young people in the United Kingdom, during Business in the Community's "Give & Gain" day.
- Participation in Boston Cares' "Bed Project" campaign to make beds for disadvantaged children.
- Printing of Christmas Cards in collaboration with Ayuda en Acción to improve the lives of 700 families affected by the 2016 earthquakes in Ecuador.
- Christmas Solidarity Campaigns with the collection of basic necessities and gifts for children's centers (Spain, United Kingdom, Germany, Portugal, Mexico, Colombia, Brazil, Peru, Chile and Argentina).
- Donation of IT equipment to the Altius Francisco de Vitoria Foundation for underprivileged groups.

Fight against all types of discrimination

- Development and monitoring of equality plans (in all countries in which Management Solutions has a presence).
- Collaboration agreements with Down Madrid and Ilunion Travel to facilitate and promote the social and professional integration of disabled people in ordinary work environments.
- Participation in a training program for the inclusion of young people with disabilities in the workplace (Promentor) launched by the Prodis Foundation.
- Participation in the "On your own" race and volunteering days to support the integration of people with Down Syndrome and other intellectual disabilities.
- Sponsorship of the Pro-Aim charity golf tournament organized by the Deporte y Desafío Foundation aimed at the social integration of disabled people through sport.

Promote health and well-being

- Organization of blood donations in different Firm offices.
- Participation in different charity races to support the fight against cancer ("On the move against cancer" in Madrid and "Winter Run" in London).
- Solidarity Program at work, in collaboration with the Spanish Cancer Association (AECC), to disseminate health messages and raise awareness of the importance of prevention and early detection.
- Collection of charity bottle tops to raise funds through the SEUR Foundation to fight childhood diseases.
- Policies to prevent occupational risk and internal Health Service.
- Continuation of favorable maternal health policies for our professionals.
- Participation in the IV Montepío Race in Portugal to guarantee access to medicines for people with economic difficulties.
- Participation in the "Bilbao Let's Run" race organized to support people with multiple sclerosis, Parkinson's and child cancer.
- Organization of sports activities for the Firm's employees.

Protect the environment

- Reduction of the Firm's environmental impact (putting in place energy efficiency, recycling and paper usage reduction policies) in all countries in which Management Solutions has a presence.
- Participation in Bogotá's "Green Race" to promote the recovery of local forests.

Invest in universal quality education

- Educational activities, in collaboration with Ayuda en Acción, during the Solidarity Summer in Ecuador.
- Collaboration with various European and American universities in giving specialist seminars and sponsoring end of course prizes.
- Sponsorship and collaboration with the Friends of the Royal Academy of Science in Spain in the dissemination of scientific content.
- Participation in the "Run for a cause" race organized by the Entreculturas Foundation to support access to education for children in the Guera region (in Chad).

Contribute to entrepreneurship and quality work

- Collaboration with the Créate Foundation, which promotes entrepreneurial spirit in Spanish schools, through the program "Create your own project" and the "Run, Make Way, Venture" race.
- Teaching of practical training workshops in collaboration with the Altius Francisco de Vitoria Foundation for destitute people.
- Collaboration with foundations to promote microfinance.

Management Solutions, Making things happen

Management Solutions is an international consulting Firm whose core mission is to deliver business, risk, financial, organizational and process-related advisory services, targeting both functional aspects and the implementation of related technologies.

- CLOSE TO 1,900 PROFESSIONALS
- 23 OFFICES
- 10%+ OF CAPACITY INVESTED IN R&D

YEARLY MEETING

MSO
ManagementSolutions
Making things happen

YEARLY MEETING
BUILDING THE DIGITAL ERA

Strategic Principles Mission and Objectives

All this translates into solid strategic principles, with a clear mission and objectives shared by all our professionals...

Making things happen

The Firm's mission is to create value propositions for our clients and to commit to their effective implementation

Trusted partners

Our goal is to become our clients' trusted partners as we exceed their expectations

... and a vision, to become the leading provider of business consulting services in regulated industries

ManagementSolutions
Making things happen

MSO
ManagementSolutions
Making things happen

YEARLY MEETING
BUILDING THE DIGITAL ERA

HUMILITY
INTEGRITY
PASSION
MERCATOLOGY

UNITY
CRITICAL THINKING
COMMITMENT AND
DEDICATION TO SERVICE

SOLIDARITY
GENEROSITY

PERSISTENCE
TO ACHIEVE
OUR GOALS

ManagementSolutions
Making things happen

HUMILITY
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CRITICAL THINKING
COMMITMENT AND
DEDICATION TO SERVICE

SOLIDARITY
GENEROSITY

PERSISTENCE
TO ACHIEVE
OUR GOALS

Strategic principles

We create value propositions for our clients and commit to their effective implementation



Today, Management Solutions is a leader in business consulting services to regulated industries. This leadership results in more than two and a half million annual consulting hours, a global team of around 1,900 professionals, 23 fully operational offices in the Americas, Europe and Asia, recurrent activity in Africa, more than 660 clients, all leaders in their respective industries, and more than 1,000 projects of varying nature and scale. The key to our Firm's success lies in our strategic principles, shared by all professionals at Management Solutions.

Positioning

Our positioning is based on a single concept: leadership. A leadership that shows on a day-to-day basis in all our areas of activity, in the services we provide and in the markets in which we are present, as we take on our clients' challenges. This leadership is made possible by a global, multidisciplinary, young and responsible team that is able to provide the best solutions to the challenges our clients face.

Mission

Our motto is a perfect summary of our mission as an organization: Making things happen. At Management Solutions, we create value propositions for our clients and commit to their effective implementation. We focus far beyond the standard provision of advisory services to partner with our clients in the pursuit of their objectives.



Committed to excellence...

...in the relationship with clients and in our level of service and performance, by giving our best in each project...

...in the development of our professionals' skills, by providing the best possible environment to foster potential and retain talent...

...in our support of society's progress and the environment in which we operate.

Objectives

Our main goal is to exceed the expectations of our clients and to become their trusted partners. This can only be achieved by implementing concepts such as responsibility, rigor, high standards, preparation and training. Ensuring that our clients feel our Firm as their own, involving them in the definition of our own strategic challenges.

Culture and values

Commitment to excellence, client focus, teamwork and organizational flexibility are cornerstones of our corporate culture, a culture that sets standards in the industry and is governed by strict ethical principles.

Making things happen requires a strong corporate culture that is result-oriented, merit based, and constantly dedicated to service - a culture and values shared by all of our professionals - while fostering unity and solidarity.

Commitment to our clients

Our commitment to our clients goes beyond the standard threshold for advisory services to partner with their goals, which we take on as our own and strive to achieve through our work and commitment. We are well aware that if we are where we are, it is because our clients want it to be so.

It is for this reason that at Management Solutions we feel our clients' challenges as if they were our own and facilitate them the best path towards meeting these challenges.

Commitment to our professionals

Management Solutions provides its professionals with a clearly defined career plan based on results, which allows them to develop and enhance their abilities.

These results translate into personal achievements, but getting there involves overcoming barriers. Our professionals are,

however, not alone in this journey, as they have the backing of the entire organization. For this reason, the values of generosity and pride in belonging develop naturally, as it becomes clear that the team adds more value than the sum of its parts. At Management Solutions the client is first, followed by the team and the individual.

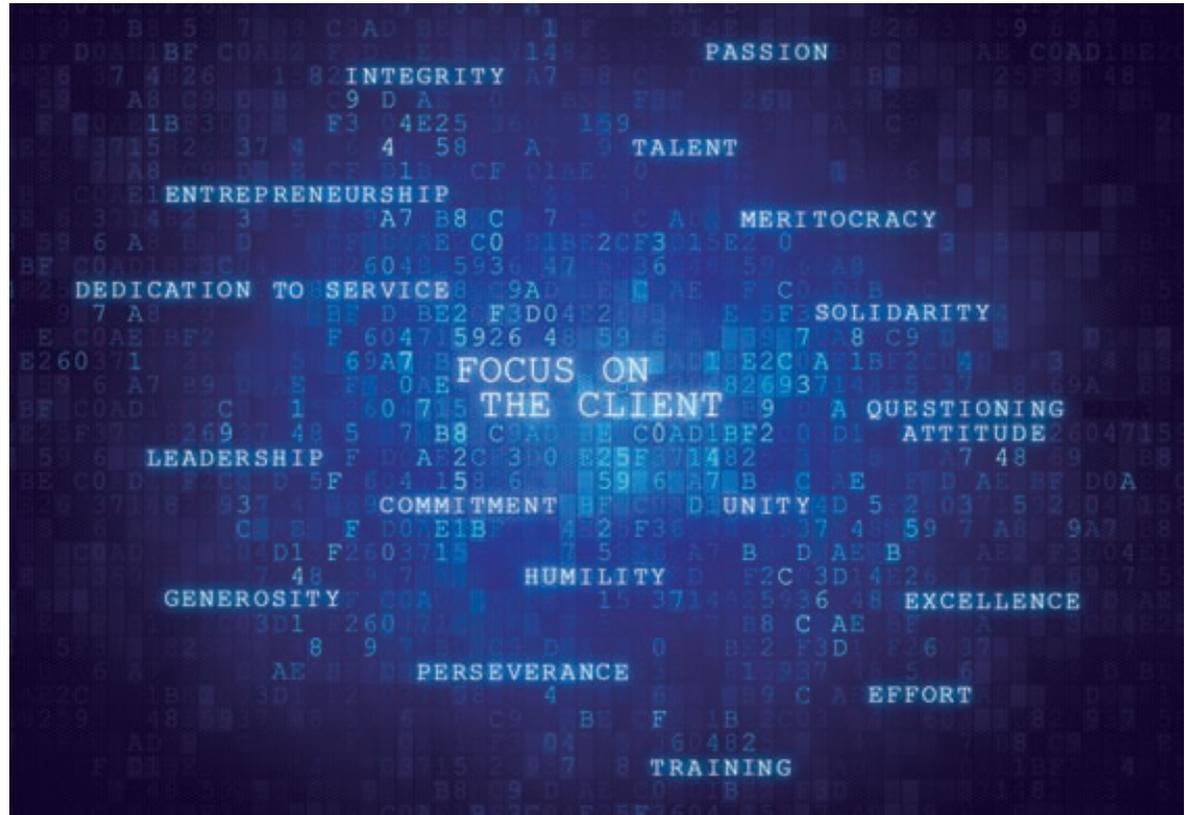
Commitment to society and the environment

Management Solutions has a commitment to society and the environment in which it conducts its business activities. This commitment takes the form of job creation for young people, contributing to their comprehensive training and promoting their integration at work.

The Firm also organizes other initiatives which are carried out by the Social Action Committee, such as sponsorship and patronage activities as well as internal environmentally-friendly policies.

Ethical principles in our code of conduct

Principles that govern the conduct of all our professionals



Integrity and honesty

We commit ourselves to acting with integrity and honesty at all times, consistently applying the highest ethical standards.

Integrity and honesty are the values underlying the trust we share with our clients and others within our Firm.

Our performance is based on ethical behavior, achieving the highest levels of quality, excellence in the provision of our

services and long-term development of relationships based on trust and mutual respect.

Dedication to excellence

We take on a full commitment to our clients, the members of our Firm and to society as a whole to maintain the level of excellence in all aspects of our professional performance.

We deliver our best effort in managing client relationships and in the service provided to our clients to offer high quality projects.

We commit to developing and strengthening the abilities of our professionals by providing the best working environment in order to foster potential and retain talent.

Commitment

We take on our clients' challenges as our own while focusing on excellence and results, supported by a strong culture of commitment. This commitment is evident in our management approach, relations and service provided to our clients, and in our ongoing effort to deliver the best consulting services on the market.

We meet our clients' highest demands, going beyond their expectations in an environment of trust and close cooperation between the client and Management Solutions' professionals.

Management Solutions' management take on the commitment to create opportunities for all professionals and it is their duty and responsibility to transmit the Firm's values and corporate culture.

Professionalism

Each employee stands out for their high level of professionalism. We aim to get the best results by cooperating with other teams and staff members, while seeing to our own training and that of our colleagues. We make an effort to convey an unrivaled image of correctness and professionalism in all situations.

We comply with all legal requirements, taking the professional standards and rules established in each case as our guide, while avoiding any situation which could compromise the reputation of the Firm.

Emphasis on the human factor

Beyond what is required for an acceptable working relationship, we realize that both employees and clients are people, and therefore deserve to be treated as such. This involves both respect for human rights in all our actions and the desire to contribute to the personal growth of all those who form part of the Firm.

We favor a working environment that stimulates personal growth, development and success, supported by an atmosphere of continuous collaboration and teamwork, which is made possible by the generosity of each one of its members, with the team's objectives prevailing over individual aims.

Our success is dependent on our professionals and, accordingly, we select and train employees so that they can provide services of the highest quality in all areas of our professional practice.

We evaluate performance through objective and agreed-upon criteria, offering a professional career without limitations in which employees earn their own promotion based on merit.

We commit ourselves to investing time, effort and resources into selecting top professional talent, as well as developing and maintaining their abilities through training plans adapted to each level and category.

Confidentiality

Management Solutions complies with data protection regulations in force in all countries in which the Firm operates.

All members of our organization are prohibited from disclosing confidential client information to third parties and are obliged to keep the Firm's reports and internal documentation confidential, treating all information with particular responsibility, control and protection and without using it for personal gain or for that of third parties.

All of the Firm's strategic information, as well as client and employee data accessed in the course of professional activity, is considered confidential.

Management Solutions applies the strictest security standards to all its IT and communications systems to ensure they do not violate confidentiality protocols.

Responsibility to society

Our services and client-oriented focus allow us to deliver projects of considerable added value, which makes it possible for the Firm to positively contribute to society's economic environment. This responsibility takes the form of job creation for young adults, as we contribute to the provision of comprehensive training and promote their entry into the job market. The Firm also promotes initiatives that facilitate employee participation in different volunteering activities (Social Action).

Our brand

Our brand conveys our culture and values

The purpose of the Management Solutions brand is to convey the Firm's culture and values to all stakeholders while strengthening the sense of belonging among Management Solutions professionals in all countries where the Firm operates.

Our name, logo, colors and lettering represent the Firm's identity, convey our values and differentiate us from our competitors. It is therefore essential to protect them, to use them appropriately and to ensure we instill them with our principles, including most notably reliability, trust, leadership and teamwork.

Our logo was reinforced by the inclusion of our motto: Making things happen, which summarizes the Firm's mission.

Consequently, all the places where our brand is displayed automatically become a vehicle through which our values are

transmitted, whether these are sponsored initiatives, publications, fairs, events, presentations, business proposals or deliverables.

For this reason, we must carefully select the means we use for communicating the Management Solutions brand, and work towards ensuring that it conveys a level of quality commensurate with our high standards. Only by doing this will we be able to consolidate our brand position in the market place.

Moreover, brand uniformity becomes particularly significant in the current context of our Firm's international expansion. Our brand plays an integrating role, since it represents those values that are shared close to 1,900 Management Solutions professionals around the world who, in turn, project it on a daily basis in the relationship they establish with their clients and stakeholders.



Management Solutions website and Social Networks

Our corporate website (www.managementsolutions.com) constitutes our main vehicle for reaching out to society, and is therefore one of the fundamental pillars supporting our external communications.

In 2016, Management Solutions went a step further to reinforce its digital external communication plan, adding significant improvements to its corporate website and promoting the Firm's presence in social networks.

Our site, delivered in three languages (Spanish, English and Portuguese), meets accessibility guidelines set by the World Wide Web Consortium (W3C), and includes general information about Management Solutions, the industries in which we operate, service lines offered, a specific section on careers especially targeted at potential candidates interested in participating in our selection process, a section on the Firm's specialist publications (which includes reports on the

macroeconomic context, technical notes on regulation and sectoral regulatory developments) and an events section, which includes the Firm's news related to the university, professional and cultural worlds, as well as news on our community-action campaigns and sports competitions.

The Management Solutions' website has an updated design and new content, which incorporates responsive technology to improve the mobile browsing experience.

Furthermore, the digital communication strategy has been reinforced by the creation of corporate channels in the main social networks, which aim to showcase events and specialist content generated by the Firm (white papers, reports, regulation alerts, technical notes, etc.) to our main interest groups.

Visits to our website increased by 20% in 2016 compared to 2015 (originating from more than 180 different countries).



Ana Gadea
Management Solutions Partner

"We are a Firm with a strong corporate culture which unites us and sets us apart"

Our brand is a true expression of our mission: "making things happen".

We have well-defined principles and values based on commitment, dedication to service, integrity, cohesion and teamwork. Wherever we work (London, São Paulo, Boston or Beijing), we always behave in the same way, across the more than forty countries in which we have a presence.

We pride ourselves in observing how our clients, in any of the regions in which we operate, identify Management Solutions as having a distinctive way of working.

Corporate Image

Our corporate culture is reflected by a particular image, covering all areas:

- ▶ Image conveyed to the Client by our professionals.
- ▶ Style and format of our presentations, proposals, deliverables and any other documents, such as publications, advertisements, campaigns, etc. in all formats.
- ▶ Presence of our image in society: universities and job fairs as well as foundations and sponsorships.
- ▶ The design of our offices, which were updated in 2016, embraces a model that is more consistent with our strategic collaboration approach.

Geography

An international outlook remains one of the Firm's strategic priorities

Management Solutions' strong international vocation since inception has made its global approach one of its hallmarks. Currently, our presence concentrates in four major geographical areas: Europe, the Americas, Asia and Africa, with 23 offices from where we serve more than 40 countries.

Covering the needs of our clients in all countries in which they are present has consolidated our Firm as a leader in the provision of business consulting services in regulated industries. This leadership has been achieved through the committed work of our professionals on a day-to-day basis, always on the look-out to identify opportunities.

Our geographical positioning responds to the "one team" and "multi-location" principles. By thinking globally and acting locally we have been able to reinforce the importance of our offices within their markets while, above all, maintaining a global view of our business.

During 2016 we continued to expand our scope of action, not only in countries that have historically been the focus of our growth, and where we already have well-established offices, but also extending our reach beyond their borders.

We have once again achieved excellent results in the United States, with operations increasing by 60% thanks to the consolidation of Massachusetts and New York, notable momentum in new headquarters in Georgia and Alabama and the commencement of activity in Texas.

Meanwhile in Latin America, and in spite of the economic slowdown in the region, all offices managed to successfully exceed their objectives and achieve outstanding organic growth of more than 30%, led by Mexico and Brazil (which has changed and expanded its headquarters in São Paulo) as the main growth pillars in the region, followed very closely by Colombia, Peru, Chile and Argentina.

Our position in Central America is particularly worth highlighting, the Firm's presence in this region has experienced substantial growth both in client numbers and projects.

Europe has also seen strong growth rates, in particular the United Kingdom office, which has performed excellently, both in activity volumes (with 40% growth) and number of projects carried out with local leaders. The same is true in Germany, which has taken off in its role as the Firm's regulatory hub and has proved able to strengthen its relationship with the European banking supervisor. The offices in Spain (with growth of over 15%) and Portugal (which in spite of the country's adverse climate, grew by more than 60%) have managed to reinforce their leadership position in business consultancy for regulated industries. It is also worth highlighting our actions in Poland, Switzerland and the Nordic countries (Denmark, Sweden, Norway and Finland), as well as Italy and France, where after years of extraordinary recurrent activity, new offices have been opened in Rome and Paris.

Finally, our operations in Asia have registered sustainable growth and our activity in Africa has also increased significantly (in countries such as Senegal, Equatorial Guinea and Angola).

Permanent Management Solutions offices



- Europe**
- Madrid**
Pza. Pablo Ruiz Picasso, 1
28020 - Madrid
- Barcelona**
Avda. Diagonal, 654
08034 - Barcelona
- Bilbao**
C/ Elcano, 9
48008 - Bilbao
- London**
6 Bevis Marks
EC3A 7BA - London
- Frankfurt**
Bockenheimer Landstraße, 51-53
60325 - Frankfurt am Main
- Paris**
14 Avenue D'Eylau
75116 - Paris
- Warsaw**
Emilii Plater, 53
00-113 - Warszawa
- Zurich**
Bellerivestraße, 201
8034 - Zürich
- Milan**
Via Visconti di Modrone, 11
20122 - Milano
- Rome**
Via Vincenzo Bellini, 22
00198 - Roma
- Lisbon**
Avenida da Liberdade, 245
1250-143 - Lisboa
- Asia**
- Beijing**
1 Jian Guo Men Wai Avenue
100004 - Beijing
- Americas**
- New York***
1120 Avenue of the Americas
NY 10036 - New York
- Boston**
21 Custom House Street
MA 02110 - Boston
- Birmingham**
420 20th Street North
AL 35203 - Birmingham
- San Juan de Puerto Rico**
105 Ponce de León Avenue
00917 - San Juan
- Mexico City (Santa Fe)**
Prol. Paseo de la Reforma, 1015
01376 - Ciudad de México
- Mexico City (Anzures)**
Mariano Escobedo, 748
11590 - Ciudad de México
- Bogotá**
Carrera 7, 71
21 - Bogotá
- São Paulo**
Rua Funchal, 418
04551-060 - São Paulo
- Lima**
Avda. Coronel Andrés Reyes, 437
San Isidro 27 - Lima
- Santiago de Chile**
Enrique Foster Norte, 21
755-0163 - Santiago
- Buenos Aires**
Avda. Alicia Moreau de Justo, 140
C1107AAD - Buenos Aires

* From which Atlanta is managed

Industry

We strive to develop an in-depth understanding of the industries in which our clients operate

Thanks to our industry focus, at Management Solutions we are able to understand the specific needs of our clients and provide a solution to all their challenges.

Above the particularities of each company, the industry environment in which they do business shapes their key action strategies. Our professionals work in multidisciplinary teams that have a deep knowledge of the industry in which their clients operate. Only then is it possible to make a proper

assessment and to implement methodology that is suitable for each market.

Management Solutions' practices are structured around three main industry areas (Financial Institutions, Energy and Telecommunications), with professionals dedicated exclusively to the industries they cover. The Firm also dedicates resources to other industries, specifically focusing on the market leaders in each industry.



Financial Institutions

The financial industry is undergoing a period of significant change, which is particularly intense given the role it played as the epicenter of a crisis that has lasted nine years, and its special position in the economic measures that were taken in an attempt to leave the crisis behind.

After years marked by a deterioration of its institutional image, the need to inject public capital to sustain the balance sheets of major financial institutions, a credit crunch and reduced margins, the financial industry is facing a new reality, much more complex than it was in prior times.

Also, the financial industry has been immersed in a true regulatory tsunami characterized by a proliferation of stricter and more globalized regulations. To meet requirements related to credit, market, structural (exchange and interest rate) and operational risks, one must now add new requirements on strategic and business risk, conduct risk, model risk, etc., which makes the proper management of all of these risks essential to ensuring sustainability over the medium and long term.

This costly process to comply with regulations is however strengthening the balance sheets and operating processes of financial institutions. Today we have a more regulated and supervised as well as recapitalized financial system that has put the focus on revitalizing the business as well as on efficiency and risk control.

In addition, changes in society and the rapid advancement of technology are bringing about a paradigm shift in customer management. The industry faces the need to rethink strategy in a way that will help it to adapt its business, financial, risk, operational and technology models to the new environment (thereby improving ROE). These reasons make the financial sector one of the most complex industries in the current economic context, where contributing value to the new



approaches will require solutions that can draw on expert insight.

Energy

Progressive deregulation in the industry has revealed that there is little perceived product/brand differentiation in traditional utilities (water, electricity, gas, etc.). The customer, used to contracting utilities from Government-designated suppliers, does not associate certain qualities to the supplying brand as it is the case in other industries. This has coincided with the emergence and consolidation of technological advances and mass data processing capabilities, as well as with a changing environment due to regulatory changes, a modified global energy map and a complex economic situation that affects energy consumption.

These circumstances pose many management challenges related not only to the effort of “defending” the current positioning and to diversification, but also with how to measure, support and effectively manage business with proper monitoring and control of the various risks and opportunities associated with these activities, as well as with ensuring best practices are implemented with a view to complying with business obligations.

Additionally, corporations face a transformation challenge (as a result of the global macroeconomic environment and of numerous mergers, acquisitions, business segregations etc.), which requires them to focus on improving efficiency and on their ability to create value for their customers and shareholders. Organizations are thus focusing on innovative initiatives that will allow them to maximize their potential.

Industry

Telecommunications

The telecommunications sector is at the heart of digital transformation in society, driving technological advances as well as changes in the behavior patterns of users, who increasingly demand mobile services, immediacy and interaction, both in the personal and in the professional sphere. These circumstances combined have led to the emergence of new business models, players and services, adding additional complexity to a market that is already saturated.

The traditional operators face a new investment cycle to deploy next generation networks that are able to respond to spectacular demand growth from a variety of sources. They are also witnessing how margins from their traditional sources of income (voice and data) decrease rapidly, while new, while new revenues generated by the "new economy" go to new entrants (the so-called over the top entrants).

The challenges facing this industry in the coming years will require further industry concentration and simplification at all levels (regulation, organization, business, technology, etc.) to allow players to achieve the efficiency, speed and flexibility needed to adapt to the current changes and future challenges.

Other sectors

Consumer and Industry

Management Solutions responds to industry needs through this practice, both from the generator (production) and distributor (channeling towards the end client) perspectives. After years of sharply declining activity with consequent implications for the utilization of installed production and distribution capacities, the economic outlook is pointing to signs of recovery in the growth path. Globalization, together with the different speeds of recovery from the recession in

large regions, is leading to the relocation of a large part of the value chain: purchasing, producing, manufacturing and selling now require "global thinking and local action" and imply a constant process of continual improvement and transformation of the organizational, operational and technological structures employed by companies operating in these markets. All of this is being done to seek maximum productivity and resource utilization.

In addition, dizzying changes in consumer habits increase the need for commercial models focused on client needs and behaviors, supported by efficient, cutting-edge technology.

Government

The current market context is imposing significant budgetary optimization efforts on public sector activities. This necessitates an improvement in productivity and efficiency of all government agencies, which focus a large part of their activity in maintaining or improving service quality, optimizing management of their structural costs.

Furthermore, government agencies are undertaking programs to embed new technologies into the functioning of the public sector. These so called "e-government" programs, seek to increase efficiency, transparency and public involvement through better use of information and communication technologies.

There is therefore particular interest in new concepts to transform public services through implementing organizational, process and systems improvements, which incorporate the advantages of wider societal digitization.



Construction

After various years of strong deceleration marked by falling real estate prices following the global financial crisis and budgetary adjustments to public infrastructure spending in the leading economies, the sector as a whole appears to have entered into a new growth path.

Residential construction has returned to strong growth rates, although output figures in the main markets still remain a long way below levels observed during the last years of the previous boom.

Meanwhile, non-residential construction is starting to show positive growth, supported by the economic recovery and increasing consumption, as indicated by production figures for new offices, shopping centers, logistics and, to a lesser degree, industrial construction.

Finally, while still the market segment that has taken longest to recover, the outlook for civil engineering is also improving thanks to apparent renewed interest from the main governments in increasing investment in this area as a driver of economic growth.



Sara de Francisco
Management Solutions Partner

"The Firm's value proposition is constantly adjusting to meet our clients' changing needs"

The business reality is extremely changeable. We are immersed in a digital era, which requires business models to be continually refined.

In order to provide an excellent response to our clients' demands, we have a highly specialized, multi-disciplinary team, supported by cutting edge R&D.

We are able to specialize by service line, which enables us to structure our accumulated knowledge and experience by competence area, which in turn facilitates the design of value propositions which provide a flexible and targeted response to our clients' problems. We are also specialized by industry, meaning we are able to adjust such value propositions to the specific characteristics of the industry in which our clients are operating.

Finally, local or regional realities are captured through our geographic specialization, which enables us to take account of the regulatory, sociological, cultural and other characteristics of the economies in which our clients are operating.



Service lines

Our functional specialization allows us to offer high-value added services to our customers



To cover client needs, Management Solutions' practices are structured by industry and by business line (Financial & Commodities Risk Consulting, Retail Business Consulting and New Technologies), which in turn encompass a wide range of competencies.

FCRC (Financial and Commodities Risk Consulting)

The wholesale business, more specifically treasury and capital market operations, is developing at a speed that makes it difficult for entities to adapt their processes and control structures to this ongoing change.

The growing sophistication of corporate and institutional clients, as well as the increase in the volume and complexity of transactions and their progressive contribution to the global bottom line, call for the parallel adaptation of trading, administration, control and risk supervision processes.

Similarly, making the most of transaction-based services, which involve managing large transaction volumes, requires advanced support structures, posing new challenges for the industry.

Other challenges faced by different industries are the current sophistication of methods used in measuring and controlling risks, the integration of advanced metrics (capital) in business management (largely driven by new regulatory frameworks), and the estimates of impact under stress scenarios.

From the FCRC line we help our customers to optimize and adapt their processes and systems architecture to the new business logic and nature of financial risks (credit, market, operational, liquidity and structural) and non-prudential risks (paying special attention to compliance and conduct as well as model risk).

RBC (Retail Business Consulting)

The retail business is making great efforts to identify customer clusters or segments to target, adjusting their product and services to the needs of each segment. This change from a "selling products" approach to an approach based on "managing customer needs" requires the complete transformation of an organization's value chain, its processes and the activities of its main business and support areas (management control, sales, marketing, organization, resources, etc.).

This trend is taking place in a market environment where a "pre-digital" and a "digital" generation co-exist, which requires developing very different relationship models. At the same time, it is already a fact that customers are becoming increasingly demanding, sales margins are getting slimmer and economies of scale need to be attained.

In this context, the focus of the RBC line is to help clients achieve their goals and objectives by supporting them along the way, from the planning of their strategic needs through effective implementation of their functional requirements.

NT (New Technologies)

The world is changing, and doing so at high speed. We are witnessing a technological revolution of a magnitude never seen before. This is not a transitory event. The paradigm shift rate (the rate at which new ideas are adopted) doubles every decade: while it took nearly half a century for the telephone to be adopted, and while acceptance of television and radio took several decades, it took under 10 years for computers, internet and mobile phones to catch on.

The result is exponential growth in the technology available and an equivalent reduction in cost, regardless of the crises experienced over the past few years, and this trend is expected to continue in the coming decades.

But this technological revolution has taken on a new dimension in recent years: along with increased technical performance has come increased capacity to generate, store, and process information, and at an exponential rate too, a situation that has been called the “big data” phenomenon.

All of this is giving rise, among other things, to a discipline which is the fundamental axis for transformation in the industry: data science, which is also the study of the generalizable extraction of knowledge from data through the combined use of automated learning techniques, artificial intelligence, mathematics, statistics, databases and optimization, together with a deep understanding of the business context.

From the NT line, we help our clients to enhance the value of technology. We also develop and provide support for technological solutions with a high level of penetration in the industries in which the Firm operates.

Core competencies

Management Solutions aims to turn its clients’ objectives into tangible realities, from strategic guidance to implementation of the required technology (Making things happen).

Our teams offer concrete solutions and commit to their implementation and operation. At Management Solutions we are able to lead the different stages that result in a project being successful, from initial strategic analysis to the functional, organizational and operational phases, to effective implementation.

In this section, rather than including a product and services catalog, our aim is to highlight Management Solutions’ work around the key competencies it has developed.

Core competencies

Strategy

We accompany Management from client companies in their strategic decisions, providing our view of the challenges they face, both from a global perspective (trends, best practices, etc.) and from the standpoint of each individual company (alternative courses of action, planning, recommendations for implementation, etc).

Sales & marketing management

We design and develop commercial efficiency multi-channel and business intelligence programs, thereby supporting our clients in their growth efforts.

Risk management & control

We provide the best solutions to effectively manage and control the risks associated with doing business: credit, market, operational, liquidity, structural, reputational, conduct, model, business, and other risks, and to provide an integrated view of them (and of their impact on capital requirements or provisions).

Management & financial information

We address information requirements for management by validating, modifying and determining the information sources, defining transformation processes (calculations and metrics), and becoming involved in the implementation of the required technology for its proper deployment.

Transformation: organization & processes

We tackle our clients’ transformation projects from three different perspectives –organizational, operational and technological– achieving significant improvements in the effectiveness and control of the tasks performed, increased user and customer satisfaction and appropriate cost reductions.

New technologies

We are specialists in defining and implementing the technologies that are most suited to meeting the needs and potential of each organization, and we design frameworks to strengthen information and data governance.

R&D

Our value proposition is supported by a cutting-edge R&D department



The current global environment is characterized by weak economic growth, low inflation and low interest rates in mature economies and slower growth in emerging economies, along with a stricter regulatory environment and accelerated technology transformation. In this context, anticipating change is more important than ever.

Faced with this, Management Solutions' R&D department reflects the Firm's strong commitment to stay at the forefront of the industry and to meet the growing need for innovation in the market.

R&D's mission revolves around creating and disseminating knowledge to all of Management Solutions' stakeholders: clients, professionals, collaborators and universities, thus driving the Firm's pro-active approach to anticipating change.

From a methodology standpoint, the R&D team provides advisory services to Management Solutions' professionals and their clients in quantitative aspects that are necessary to undertake projects with rigor and excellence through the implementation of best practices and the continuous monitoring of the latest trends in data science and modeling.

With this purpose, the R&D department works in close collaboration with different universities, participates in applied research conferences and directs projects in postgraduate and doctoral studies as well as professional practices in Mathematics, Statistics and Physics faculties and Engineering Schools. R&D's commitment to training is also evident at the internal level, as it constitutes the Leadership of the Firm's Studies, coordinates the Knowledge Chairs and is an active part of the management of postgraduate programs offered by the Firm: Master's degree in Business Consultancy offered jointly by Management Solutions and the ICADE Business School, and Diploma in Business Consultancy offered jointly by Management Solutions and Instituto Tecnológico de Monterrey.

With regard to knowledge management, the R&D team directs and coordinates Management Solutions' publications system, both external and internal (white papers, alerts on publication of new regulations, macroeconomic outlook reports, briefing papers and implications of new rules, etc.), which helps our professionals to update their knowledge on a daily basis.

This knowledge management activity is possible thanks to intensive collaboration from all our offices in all countries in which Management Solutions operates. The R&D area monitors new regulatory developments in these countries with support from on-the-ground professionals who collaborate in identifying and analyzing developments.

To facilitate access to the information, R&D continues to make progress in establishing the corporate Intranet as the key channel for knowledge dissemination within the Firm through the Publications and New Regulations sections in the Knowledge Area, which draw on corporate publications and original document sources (regulations, scientific articles, etc.).

Also, in terms of methodology, R&D has established itself as a quality assurance service through the rigorous review of ongoing projects and new project proposals.

The R&D area focuses its efforts on four fields (methodology, economic analysis, regulatory analysis and knowledge management) and its goals are set according to a multi-year plan approved and monitored by the Firm's Executive Committee.

Methodology (R&D&i)

- Research: compiling and design of client/industry best practices in regulatory adaptation and management (credit, market and liquidity risk, economic capital, stress tests, business models, etc.).
- Innovation: a number of models are developed through a center specialized in data science, including classification, regression, optimization, simulation models, etc., for different areas in the industries in which the Firm operates.
- Prototypes: development of support tools to verify and demonstrate the correct operation of methodologies in real client environments (pilot testing), and the generation of specific tools to respond to new regulatory requirements, in order to facilitate the implementation of global corporate solutions.
- Software: maintenance of the data science tools developed, and relationship management with scientific software providers.
- Quality Assessment (QA): certification of the quality and consistency of the methodologies applied in projects.

Economic analysis

- Outlook reports: the R&D area is expanding the coverage of its quarterly outlook reports both in countries and in industries. Currently produces reports on sixteen countries with the support of experts from the Firm's network of offices: Spain, the United Kingdom, Germany, France, Poland, Portugal, Italy, the Nordics, the United States, Mexico, Brazil, Argentina, Peru, Chile, Colombia and China.
- Benchmark analysis: based on the knowledge base generated from these reports and through analysis of alternative information sources, R&D also carries out benchmark analysis from public information on the clients and countries in which the Firm operates.

Regulatory analysis

- Regulatory monitoring: the R&D area has an active system in place to monitor regulations on the Firm's areas of activity, which enables R&D to anticipate and detect regulatory publications at an early stage.
- Alerts: publication alerts allow for immediate knowledge of regulatory changes by our professionals and clients.
- Analysis: on those new regulations with a greater impact on or interest for clients, R&D prepares overviews and analysis of implications, contributing their synthesis and critical thinking capabilities.

Knowledge management

- New business models observatory: the R&D area supports the discovery and analysis of new business models arising in sectors in which the Firm is active, these generally focus on the digital transformation of current businesses.

- White papers: the R&D department produces in-depth, innovative and concise monographic studies on hot topics within the Firm's areas of activity that are of interest for our clients and professionals. An example of this are the latest newsletters prepared by R&D which have dealt with aspects such as trends and challenges in conduct risk or the business of telecommunications operators in the new digital era.



Making things happen

We have seen organic and sustained growth to 22 times our original size

We owe what we are to the trust that our clients have placed in us. They have made it possible for Management Solutions to be a leading international firm in business consulting just 14 years after its incorporation. It is a great pleasure for us to present the achievements listed throughout this publication.

Management Solutions was formed on December 30, 2002. At inception, the Firm had 80 professionals and three offices in Spain (Madrid, Bilbao and Barcelona).

Fourteen years later, Management Solutions is more than twenty times larger, with a multi-disciplinary team of close to 1,900 highly talented professionals, and more than 660 clients, all of which are leaders (global or local) in regulated industries, and 23 offices which serve as a base for carrying out recurrent projects in more than 40 countries across Europe, the Americas, Asia and Africa.

The Firm has continued to grow at all times since inception. In each and every one of our past 10 years as a firm, we have seen growth in revenue, number of professionals, number of clients and number of countries in which we operate.

It should be emphasized that these results have been achieved organically, with a well grounded growth model. Therefore, a model based on the organized transmission of a culture, values and principles that we understand to be differential and that have remained unchanged regardless of economic cycles.

During this fiscal year, the Firm has faced a complex macroeconomic scenario, though far less difficult than other situations it has had to face since its incorporation. The beginnings were particularly demanding, with reduced critical mass, no brand recognition and lacking the capacity



to respond globally in all geographies in which our client base operated. Two years later, when Management Solutions began to consolidate in the market, there was a fire at our headquarters in Madrid (the Windsor building), which led to its complete destruction but served to demonstrate the resilience of our team of professionals, who were able to keep focused on their projects with clients.

Despite these initial difficulties, our development has been extraordinary, with average annual double-digit growth over the years.

At Management Solutions we have remained true to our founding culture: a strong culture that unites us and, at the same time, sets us apart from our competitors. A culture based on the principles of commitment and dedication to service, delivered with humility, generosity and integrity.

We have also sought to perform our profession by relying on in-depth knowledge of the business and the social reality, with the necessary critical approach. We have always understood that if something has value to our clients then it makes sense and, as difficult as it may seem, can be achieved.

In short, we understand that our constant pursuit of excellence, based on talent, effort and training, is a necessary requirement to meet our goals.

An equally promising future

Management Solutions looks to the future with the same enthusiasm today as it did in year one. We are facing major challenges, but if something has defined Management Solutions throughout its history, it has been its desire to excel and deliver.

We intend to continue to achieve our ambitious new goals to lead the consulting business in regulated industries in all geographies in which we operate, always for the benefit of our clients, who are the most important stakeholders we look to support.



José Ramón Gorrochategui
Management Solutions Partner

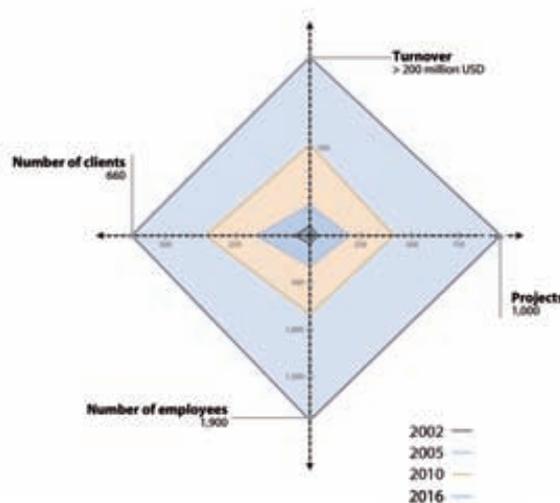
"The client is our reason for being"

We are where we are today, because this is what our clients have wanted. Our goal is to become their trusted partner and we do this by being constantly attentive to their needs and by developing a lasting relationship model, which creates value for both sides.

We have an unwavering commitment to those who place their trust in us. We work with enthusiasm, combining talent, knowledge and skills to provide the most effective solutions to their problems.

At Management Solutions we have always set clear priorities: first the client, then the team and finally oneself.

The Firm's development



Making things happen



Management Solutions was incorporated on December 30, 2002

2003, Commitment to Excellence

With 80 professionals from Arthur Andersen and offices in Madrid, Barcelona and Bilbao, Management Solutions set out on a journey at the end of 2002. The trust placed by clients in this new business project made the launch of our Firm possible. Committed to a strong global presence from the very beginning, the Firm gained a foothold in Spain, the United States, Puerto Rico, Mexico, Chile, Brazil and Argentina in our first fiscal year.

2004, Making things happen

The first fiscal year closed with growth of 18%. Management Solutions won its first projects in Europe (Italy, United Kingdom and Portugal) while expanding its presence in the Americas with the opening of a new office in São Paulo, going from 80 professionals to over 200 in only one and a half years.

2005, A world of solutions

The year began with a fire at the Windsor building (our headquarters in Madrid), a significant challenge that was successfully overcome and did not prevent us from increasing our staff by 46% and strengthening our activity with major international players. In 2005, we enlarged our Mexico City and Santiago de Chile offices and also strengthened our Support Services Unit.

2006, The value of a committed team

With an increasingly expanding brand, the New York office was enlarged, the milestone of 500,000 consulting hours was exceeded and the Firm threw its weight fully behind the creation of a R&D unit to be at the forefront of knowledge. Social action and sport became part of the Firm's everyday life.

2007, One Team

In 2007 Management Solutions had over 500 professionals, growth of 40%, and a client portfolio of more than 300 leading organizations. 2007 also saw the publication of our first Corporate Social Responsibility Report.

2008, Passion for the future

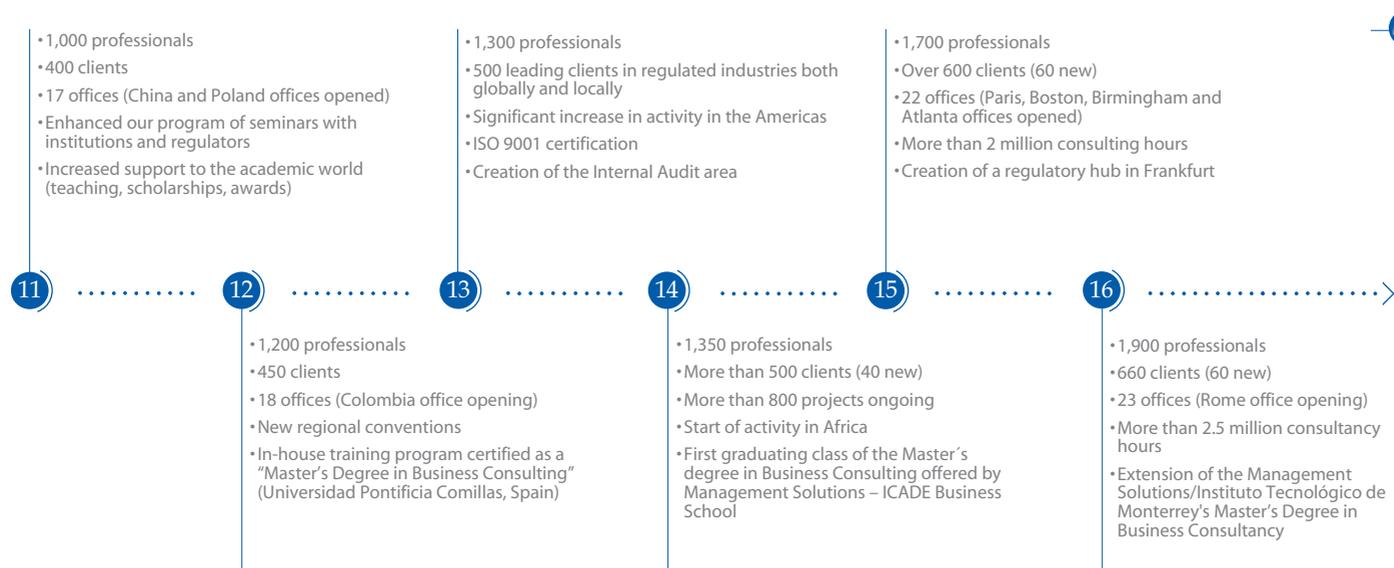
The Firm's strategy going forward included expanding our presence in other markets and geographies. This fact led to the launch of our first projects in Asia, entry into the Portuguese market, the opening of our London office, and to our expanding the energy and telecommunications practices to other countries and organizing the first regional conventions in Latin America.

2009, New challenges, same principles

In 2009, despite an increasingly adverse scenario, we reached one million consulting hours and initiated activities in Germany, while maintaining a sustainable and diversified growth strategy. The Firm expanded its presence to other geographies and industries, and reinforced its support of universities.

2010, Spirit of achievement

A permanent effort was made to extend and adapt our range of solutions in order to provide the best response to our clients' needs. Also this year, we expanded our horizons by opening new markets such as Switzerland and Peru, and globalizing the social action and the sports club with activities in all our offices.



Today Management Solutions...

- Is more than 22 times larger
- Has a team of close to 1,900 professionals
- Serves more than 660 global and local clients from regulated industries
- Has a presence in more than 40 countries across Europe, the Americas, Asia and Africa, through 23 offices
- Has a differentiated value proposition supported by cutting-edge R&D

2011, Values that make the difference

Despite a market in decline, at Management Solutions we were able to increase our commitment to achieve a growth rate of 19%, strengthening its commitment to talent, reaching the size of 1,000 professionals and opening new offices in Beijing and Warsaw, as well as enlarging our offices in Lisbon, Lima and Buenos Aires.

2012, Generating trust

2012 was another successful fiscal year in which we collaborated with more than 450 clients and expanded our boundaries with the opening of a new office in Bogota and two more offices in the United States (Massachusetts and Alabama). We continued to foster knowledge-sharing with new regional conventions in the Americas. Our commitment to training was further demonstrated through the launch of the first Master's Degree in Business Consulting, developed jointly with the Universidad Pontificia Comillas in Spain.

2013, Focused on our clients

With growth at over 15%, 2013 was a successful year, especially in the Americas. We reached more than 500 clients (large global or

local leaders in their respective markets), the activity with regulators and supervisors was strengthened and internal functions were enhanced to improve efficiency and control of our activity (creation of the Internal Audit function, review of global and local policies and procedures, external certification on the quality of processes –ISO 9001, etc.).

2014, Managing transformation

In 2014 Management Solutions saw growth in all its: i) offices (especially in the US), also initiated activities in Africa, ii) industries (particularly in Telecommunications) and iii) service lines (undertaking more than 800 projects whose common denominator was transformation). Governance of the relationship with strategic suppliers was enhanced, as was investment in R&D and training (which grew around 20% with respect to the previous year).

2015, Innovation for growth

In 2015 we achieved growth above 16% and exceeded two million consulting hours (900 projects were formalized). During this year, Management Solutions France was created, new offices

were opened in the United States (Boston, Atlanta and Birmingham), and we expanded our offices in the UK, Germany, Chile and Mexico (a new second office was opened in Mexico City). We also established closer links with regulators (particularly with the European Central Bank) through the creation of a regulatory hub in our Frankfurt office.

2016, Building the digital era

In 2016 Management Solutions once again grew by more than 16%, doing so in all regions (especially in the USA and the main European markets), industries and service lines, adding more than 60 new clients and going over the 2.5 million consultancy hours mark in the delivery of over 1,000 projects. During the year new offices were opened in Rome, Paris and Birmingham and the São Paulo headquarters were changed and expanded. Training investment also increased (by more than 30% compared to 2015) and our Master's Degree in Business Consultancy program was extended to Mexico in collaboration with the Instituto Tecnológico de Monterrey.

2016 milestones

Management Solutions continues to focus on profitable growth and is becoming increasingly international and more diversified from both an industry and a geographic viewpoint. Above all, Management Solutions has an outstanding portfolio of global and local clients who are leaders in their respective industries.

- 16% GROWTH
- 1,000+ PROJECTS...
- 500 OF THEM ORIGINATED DURING THE YEAR

Building the digital era

The ability to create value in the digital era is the most important challenge facing us



Yearly Meeting 2016, Spain

Under the motto "Building the digital era", Management Solutions organized its Yearly Meeting in July to review the Firm's achievements after analyzing the international environment, and set goals for the next year. This section sums up some of the ideas expressed during the Meeting.

After a long period of deep economic crisis, economic recovery appears to be stabilizing, though more slowly than expected. However, this recovery is not without significant challenges that particularly affect regulated industries.

Despite efforts to contain costs, profitability problems are surfacing, with strong pressure on margins, driven by private sector deleveraging in a large proportion of mature economies, a prolonged period of low interest rates and inflation, a competitive environment characterized by very aggressive pricing and a constant increase in capital requirements.

Strategic economic sectors, such as the financial sector, have been overwhelmed by a veritable regulatory tsunami, characterized by a plethora of increasingly tougher and more

globalized regulation (capital and provisions, information and reporting, other risks such as conduct, model, business, etc.).

But the true challenge facing us at this point in time is the unprecedented technological revolution which is creating profound changes in client behavior, obliging companies to take a different approach to tackling problems.

More than 90% of available data has been created in the last two years and the capacity to store, process and model data has grown exponentially at the same time as the costs have steeply declined. Clients interact with each other increasingly through digital channels, consult social media before buying, and their perceptions of quality correlate almost perfectly with their next purchase. Furthermore, new players are entering, from niche technology companies to giant digital distributors which have been capable of creating their own ecosystems.

The winners in the new digital era will be those companies that, while at the same time as strengthening their values, are able to transform themselves through redesigning their business models; aligning their organizational and governance structures; gearing their processes and systems toward greater commercial and operational efficiency; strengthening the identification, measurement and control of risks; and improving information management frameworks.

The ability to create value in the digital era is the most important challenge facing us. Many companies, all of them leaders in their respective markets, have placed their trust in Management Solutions to confront this digital transformation.

And it is Management Solution's ambition to play a decisive role in the development of solutions that address the new challenges which face our clients in the digital era. These solutions contribute to having more loyal, satisfied and digital clients while strictly governing information, data and models and using them to greatest advantage; efficiently managing

resources; and improving control of risks. In sum, our solutions help our clients to grow profitably and sustainably in the new digital era.

All of this obliges us to constantly update our value proposition: strengthening research and development (investing more than 10% of the Firm's capacity in R&D); aligning our core competencies with the digital world, ensuring the incorporation and development of talent (with more than 150,000 candidates for 350 vacancies), intensifying knowledge and skills training (with more than 200,000 hours per year dedicated to training our professionals), strengthening our international outlook, and doing all this while remaining loyal to our principles and values. Demonstrating a corporate culture that both unites us and sets us apart from the competition, a culture of commitment and dedication to service, a culture which inspires the constant search for excellence.

In 2016 we have once again surpassed the qualitative and quantitative objectives that we set for ourselves a year ago, growing in excess of what we had budgeted, once more increasing our market share, and doing so in a way that is organic, diversified and sustained, always outside of economic cycles, applying a management model that maximizes our potential, guarantees professional development for our people and creates the basis for sustained growth in the coming years.

We have continued to widen our scope of activity to new markets, as well as consolidating our presence in countries in which we are already operating (we now operate in more than 40 countries across Europe, the Americas, Asia and Africa). All of our service lines have grown in a balanced way and we have also made important progress in industry diversification.

The result of all this has been that we have increased our presence in many of the organizations with which we were already collaborating, extending the provision of our services to new areas and business divisions, and have continued to

increase our client base. A portfolio of large multinationals, corporations and leading local entities to which we have added sixty new clients, all of them of strategic importance in their respective markets. Also, during the year we have developed our relationship with regulators and supervisors in the markets in which we operate.

Such growth would not have been possible without the extraordinary team of professionals that make up our Firm. A talented, committed team that has inherited a strong corporate culture based on a set of values that make a difference. A global, multicultural, multidisciplinary, fully integrated team that has grown from the base. A young, principled and responsible team capable of providing solutions to the challenges our clients bring to us.

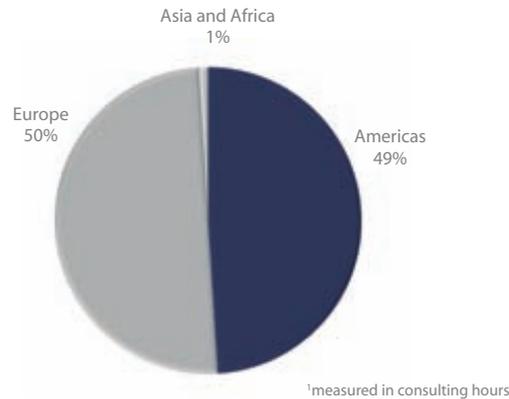
In short, for yet another year we have exceeded all our goals in all the regions in which we have a presence, in all the industries in which we operate and in all our service lines. We look to the future with enthusiasm and confidence, with the clear intention to play a decisive role in the building of the digital era.

Diversification

During 2016 we continued to pursue our diversification strategy:

- ▶ Achieving consistent growth in the Americas, Europe and Asia, and consolidating our activity in Africa.
- ▶ Intensifying our activity in all regulated industries, maintaining our leadership in Finance, gaining market share in Energy and becoming increasingly active in Telecommunications.
- ▶ Expanding our client portfolio.
- ▶ Updating our solutions offer:
 - Strategy
 - Sales and marketing management
 - Management & financial information
 - Risk management and control
 - Transformation: organization, processes and technology

Geographical diversification¹



Americas

- ▶ Strong growth in USA (+60%)
- ▶ Sustained growth in Latin America (+30%)
- ▶ Strengthening of activity in Central America

Europe

- ▶ Leadership in the Spanish market
- ▶ Strong growth in Portugal (+60%) and United Kingdom (+40%)
- ▶ German office take-off
- ▶ Continued growth in the rest of Europe

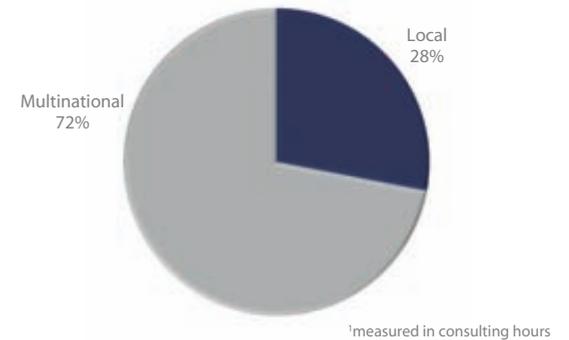
Asia

- ▶ Recurrent operations in Asia

Africa

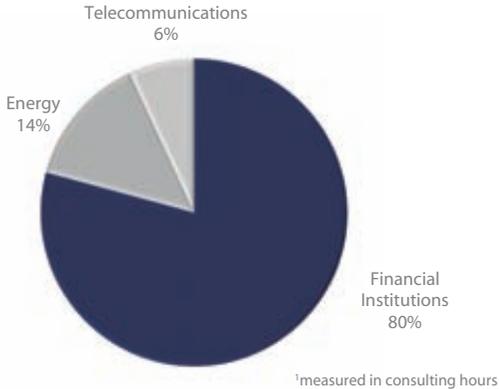
- ▶ Significant growth in activity in Africa

Client diversification¹



- ▶ More than 660 active clients
- ▶ More than 60 new clients
- ▶ Intensified our relationship with Regulators and Supervisors and well as with Multilateral Bodies
- ▶ Reinforced relationship model with strategic suppliers

Sector diversification¹



Finance

- ▶ Sustained growth (+14%) based on increased business specialization
- ▶ Focus on regulatory adaptation (RDA, SREP, CCAR/ICAAP, IFRS9, BIS, etc.)
- ▶ Deployment of capabilities in Data Science

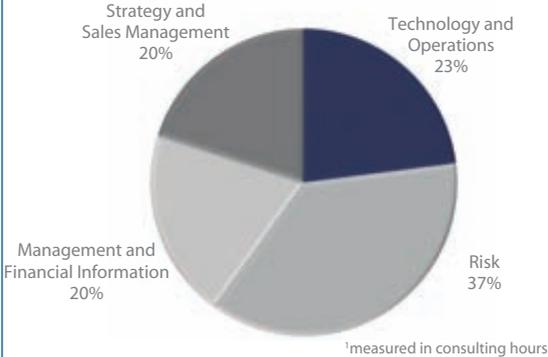
Energy

- ▶ Strong growth in operations (+40%)
- ▶ Broad range of services offered (trading, models, RRF, governance, process reengineering, compliance)
- ▶ Practice consolidation at international level

Telecommunications

- ▶ Significant growth in operations (+30%)
- ▶ Recurrence of projects related to structural functions (organization, finances, risks, technology, etc.)
- ▶ Strengthening of agreements with specialized technology partners

Diversification of solutions¹



- ▶ More than 1,000 projects (more than 50% new) across our competency areas:
 - Business Model Analysis
 - Digital transformation
 - Information and data governance
 - Advanced modeling (commercial, financial, risks)
 - Efficiency (reengineering of structures and processes)
 - Integration and factoring plans
 - Design of new systems architecture
 - Upgrade of proprietary tools (MIR, SIRO and Paladin)



Luis Lamas
Management Solutions Partner

"We want to play an important role in the digital transformation of our clients"

Our Firm has the ambition to play a decisive role in the development of solutions that address the challenges of the digital era.

This requires having a deep understanding of new dynamics, appropriately identifying the problems facing our clients and proposing innovative solutions capable of helping them to grow profitably and sustainably in this new digital environment.

Growth

Profitable growth

Our high internal organic growth levels guarantee a career progression model far superior to that of our competitors.

R&D&i innovation

Investing in R&D&i and training are key differentiating elements in our value proposition to the market.

Organizational flexibility

A fluid and continually adapting organizational structure oriented towards value creation allows us to adequately respond to our high growth levels.

Human Resources Management

Our partnership model guarantees career progression that rewards individual merit for all our professionals.

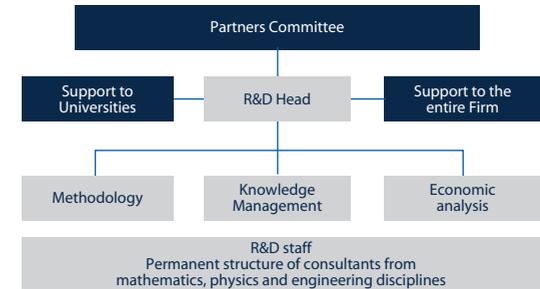
Profitable growth



- ▶ Growth above 16%*
- ▶ More than 2.5 million consultancy hours
- ▶ Increasing share of main leading markets
- ▶ Organic and diversified growth
 - All types of clients
 - All countries
 - All industries
 - All service lines
- ▶ Proactively managing inventories, billing and accounts receivable
- ▶ Compliance with the Y20 strategic plan

*Exceeding annual revenue of USD 200 million in consulting hours

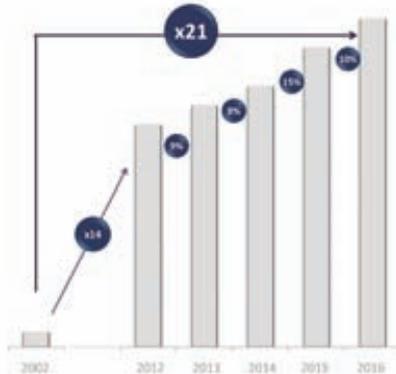
R&D&i innovation



- ▶ Investment equivalent to 10% of the Firm's capacity
- ▶ Global permanent structure made up of 3 teams:
 - Methodology (Innovation)
 - Knowledge management (Regulations, Benchmarks, Publications, Training, etc.)
 - Economic analysis
- ▶ Global coverage (all countries, industries and service lines)
- ▶ Regulatory hub in Frankfurt, seat of the ECB
- ▶ "Joint Ventures" with universities
- ▶ Global R&D Plan (more than 200 actions executed):
 - Methodology
 - Research focused on data science
 - Support for project promotion/execution
 - Knowledge Management:
 - Refining of value propositions
 - Update of training plan
 - More than 80 publications (internal and external)
 - Regulatory alerts service (more than 200 clients)
 - Economic analysis for 20 countries

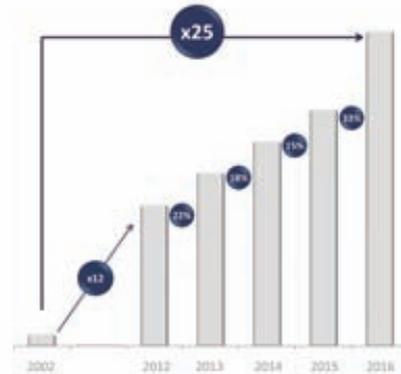
Human Resources Management

Annual percentage increase in number of employees



- ▶ Bottom-up growth with more than 300 recruits and 200 placements during the year
- ▶ Merit-based promotion in the entire pyramid:
 - Enhanced front-line management (6 new Partners and 7 new Directors)
 - Improved leadership capacity (89 new Managers and Supervisors)
- ▶ Global pyramid management ("one team")
- ▶ Excellence in talent intake (more than 150,000 candidates analyzed)
- ▶ Strengthening of University and Postgraduate links:
 - Presence in more than 320 European, American and Asian faculties
 - More than 200 collaboration agreements
 - Provision of training in several of the most prestigious universities in Europe and the Americas

Training hours



- ▶ Ongoing assessment processes (with enhancement of management assessment programs)
- ▶ Biannual mentoring program (aimed at aligning professionals' needs with the opportunities offered by the Firm)
- ▶ Emphasis on training:
 - More than 200,000 hours (30% increase from previous year) invested in training
 - More than 470 courses taught (85 new)
 - Continual improvement of training plan:
 - Third graduating class our Master's Degree with ICADE in Spain
 - Extension of model to Mexico (Diploma in Instituto Tecnológico de Monterrey)
 - New content: Agile, data science, quality and customer experience, specialist trading

Organizational flexibility



- ▶ Enhanced internal corporate departments and functions (maximizing their value contribution):
 - Reinforcement of our corporate departments' international structure
 - Internationalization of the finance function and help desk
 - Systems migration (new Data Center)
 - Strategic IT and Telco plan (digitization)
 - Strengthening of security protocols
 - Updated Corporate Policies
 - Office openings/expansion: Rome, Paris, São Paulo and Birmingham.
- ▶ Internal Audit and Quality Plan:
 - Audit Reports (annual and monthly)
 - Process audit (ISO 9001)
 - Information Security Audit
 - Continuous training for professionals on Corporate Policies

Communication

- ▶ Promoting the Management Solutions brand to our stakeholders.
- ▶ Sharing value-adding content (specialized publications, regulatory analysis, economic outlook reports, etc.).
- ▶ Maintaining a presence in prestigious institutions for all our activity areas.
- ▶ Supporting the academic world through partnerships, internships and specialized courses.
- ▶ Acting as benefactors and sponsors in order to support culture, sports and the arts.
- ▶ Becoming involved with those most in need through community outreach initiatives within our scope of action.

Communication

- ▶ Corporate website redesign
- ▶ Increased presence in social media
- ▶ More specialized publications:
 - 10th Annual CSR Report
 - 10th financial white paper (Conduct Risk framework: Industry trends and challenges), 4th telecommunications white paper (Telecommunications operations in the new digital era) and 1st insurance white paper (Matching Adjustment: a review of the methodological approach)
 - Quarterly situational reports (16 countries)
 - Technical Notes and Regulatory Developments
- ▶ Enhanced presence in professional and supervisory forums
- ▶ More Social Action, patronage and sponsorship:
 - More than 30 community support activities organized by Management Solutions: Solidarity Summer, Solidarity Concert, Solidarity Cinema, Solidarity Christmas, blood donations, IT equipment donations, solidarity races, etc.
- ▶ Partnerships with NGO's and foundations
- ▶ More support to the Sports Club in all our offices (over 500 participants in internal and external sports tournaments)





"We have achieved excellent results in each and every one of the regions and industries in which we operate"

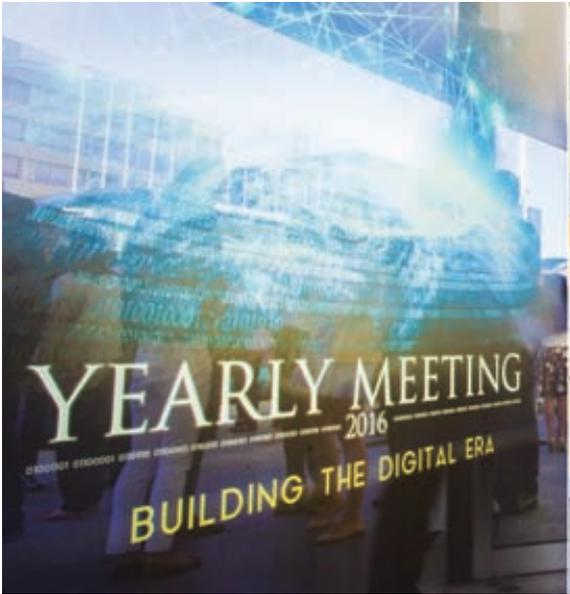
Ignacio Layo, Management Solutions Partner

Performance this year has been excellent. We are satisfied to have once again outperformed all our objectives in spite of the still complex macroeconomic environment in some of the economies and industries in which we work.

A large part of the credit for this growth lies, undoubtedly, with the outstanding team of professionals that make up Management Solutions. A team that is well trained and prepared, with a commendable spirit of achievement and that

is proving able to leverage the transformation potential of the new digital economy in which we are immersed to benefit our clients.

We intend to play a key role in the transformation of our clients' business models through digitization, helping them to grow profitably and sustainably. In other words, as our motto goes, committing ourselves to "making things happen".



Yearly Meeting 2016, Spain

Committed to our clients

Consistently exceeding the expectations of our clients is instrumental to building our leadership position in the business consulting industry.

- 660+ CLIENTS...
- 60 OF WHICH ARE NEW
- OPERATING IN MORE THAN 40 COUNTRIES



Client focus

The client is the reason we are in business and is our main management priority



Award to Best Services Provider received from Enel Chile

Management Solutions receives the award for best service provider from Enel Chile

Management Solutions was honored for excellence in the provision of services in the Information, Communication and Technology field during the 7th meeting of Enel Chile providers.

The Firm received the prize from Mr. Tomás Blázquez, CIO of the Enel group in Latin America, in an event that was presided over by Mr. Nicola Cotugno, General Manager of Enel Chile.

Our success is due to our clear focus on the client, with whom we work closely and whose expectations we strive to exceed in order to become a trusted partner. We implement a client relationship model that allows us to be aware of each client's specific needs and for us to be in a position to offer each client a differentiated value proposition.

Management Solutions provides value-added services that stand out for the durability of results and practicality in implementation.

Client diversification

Management Solutions pursues sustained growth supported by client diversification, seeking a balance between large multinational and national leaders. At year end, Management Solutions had over 660 active clients (60 new clients during the year), grouped into three major segments: multinationals of an American or European origin, local entities, and national or regional confederations, all leading institutions in their respective markets.

In addition, Management Solutions has continued to strengthen its relationship model with regulators (central banks, international organizations, national regulators and supervisors, etc.) of the main industries in which it operates.

Global Model

Management Solutions has a strong presence in local markets, but always under the umbrella of global corporate policies. The whole of the Management Solutions group operates as a single unit rather than an association of local firms under one brand.

Acting and feeling as part of a team, sharing the Firm's mission, goals, culture and values, is essential to successfully meeting our clients' transformation processes and strategic challenges, wherever they arise.

Providing top quality service is at the core of our business

- ▶ There is coherence and consistency between the job to be done and the final product, both being clearly documented.
- ▶ The necessary knowledge and experience have been applied.
- ▶ The specified work has been carried out competently and has been correctly documented.
- ▶ The final products satisfy the specific requirements and have been produced within the agreed upon timescale.

The methodology applied is based on breaking down each project into its different activity stages or groups.

For each stage, the activities to be performed, the techniques required to tackle them and their order are detailed; and, for each activity, the resulting products or deliverables as well as those involved according to their degree of responsibility are specified.

We perform quality control from the beginning to the end of all projects in order to guarantee quality levels both internally and externally (services provided to clients).

Management Solutions has a Quality and Internal Audit Area whose aim is to strengthen the Firm's control framework and to comply with regulatory requirements (certifications, audits, etc.).

This area is global in scope and covers functions related to both business activities and providing support to our professionals across the Firm's units, and is responsible for the following:

- ▶ Corporate policies.
- ▶ Quality (certifications from quality assurance agencies, Quality Assurance process, etc.).
- ▶ Criminal risk management and proposal contract clauses.
- ▶ Internal audit.

ISO 9001 quality certification

The Spanish Association for Standardization and Certification (AENOR) acknowledges that Management Solutions' management system is compliant with the ISO 9001 standard for business consulting activities and related technologies.

UNE-EN ISO 9001 certification shows that the management system implemented in the Firm meets the highest quality standards, ensuring the availability of resources, process control and continuous improvement in the provision of services.

As a professional services firm, our mission is to develop solutions that help our clients to fulfill their objectives as effectively as possible. We are firmly committed to offering services of the utmost quality, as this is the underlying motive of all our actions and the driving force behind our growth.

For this reason, all our internal processes are subject to strict quality rules in the belief that, with the support of our highly conscientious professionals, they will facilitate the achievement of this fundamental aim. This level of quality is based on the expert training of our professionals, for whom there are ongoing training and refresher plans, and on the direct and active participation of more experienced members of staff in each project.

Quality control methodology

The main aim of our quality system is to guarantee that every job meets the levels of quality, value and service expected by the client. Accordingly, as a minimum, we must ensure that:

Quality Control Methodology

Activities

- ▶ Review of project scope
- ▶ Definition of review milestones
- ▶ Design reviews
- ▶ Intermediate review
- ▶ Final review
- ▶ Project file

Deliverables

- ▶ Review plan
- ▶ Review reports
- ▶ Design/intermediate review reports (for internal use)
- ▶ Final analysis
- ▶ Final report
 - Proposal accepted by quality control
 - Document of acceptance from client
 - Authorized quality control documents
 - Finance and billing structure
 - Project plan with assigned responsibilities for each task
 - List of deliverables
 - Client satisfaction survey

Commitment to the industry

We share the expert knowledge generated by the Firm

In addition to conducting specific conferences on relevant topics of interest in the Firm's operating areas, we have an ongoing schedule of external distribution activities, some of the most significant being our publications and our presence in professional forums.

Publication of studies and industry reports

Conduct Risk framework: Industry trends and challenges

Financial institutions have made significant progress in dealing with classical risks, controlling losses and protecting their balance sheet. But contrary to any of the classical risks, Conduct Risk forces a complete change in paradigm, requiring financial institutions to put themselves in the shoes of their clients or stakeholders and protect their clients' balance sheets (in some cases against the financial institution's own short term interests). Financial institutions now need to concentrate on protecting their indirect assets, i.e. their clients.

Bank structures, technology, organization and governance were not established and refined for dealing with this new paradigm, with this being one of the reasons why the adaptation process is still in its infancy.

Developing a robust framework for managing Conduct Risk should be a key component of the executive agenda. In the words of Tracey McDermott, Chief Executive of the FCA (Financial Conduct Authority, United Kingdom) in 2015, "the cost of failing to identify risks to clients, market integrity or fair competition is material. It makes good commercial sense - indeed, I would say there is a commercial imperative - to manage these risks as effectively as any other risk on your balance sheet".

In this context, the publication aims to provide an overview of Conduct Risk and the main components of a successful management framework, as well as the agents that shape them (definition, organizational structure and functions, policies and procedures, risk appetite, etc.). In addition, the publication offers an in-depth review, based on a practical approach, of one of the factors that is proving especially difficult to tackle: effective identification and measurement of Conduct Risk.

Telecommunications operators in the new digital era

We are living in an unprecedented technical revolution that is radically altering how we live, work and interrelate. Telecommunications operators are at the center of this revolution, tasked with facilitating the connectivity of the entire ecosystem. However, despite playing this central role in society's digital transformation, telecommunications operators are not successfully capturing the increased value generated from the digitization of economic activity and the new business models developing around it.

New players have emerged providing "Over the Top" services (OTTs), and have fully entered into the digital services sphere. Clients are adopting these services on a massive scale, gradually



shifting their value perception of the digital experience toward these new actors. Faced with difficulties to differentiate their offer, operators have chosen to use price as one of the key elements to attract clients, pushing the sector into a price war during the last decade. Furthermore, client digitization is creating exponential traffic growth, forcing operators to strengthen their network investments to respond to increasing connectivity demands.

This scenario of revenue pressure alongside elevated investment needs is leading to an outbreak of concentration processes to generate sufficient economies of scale in order to be able to secure a return on the deployment of new networks.

At the same time, the supply model is changing through the incorporation of first or third-party audiovisual content in connectivity products and the gradual development of OTT services to compete with the new business models that have sprung up in the digital economy. These services revolve around the next wave of possible revenue growth, which looks likely to center on the Internet of Things (IoT), Big Data/Data Science and Cloud technology.

Until these new revenue sources eventually consolidate their contribution in the income statement, operators are putting emphasis on the optimization of their financial structure, embarking on ambitious efficiency programs to enable them to maintain/improve their current business margins, conditioned by strategies emanating from an increasingly complex regulatory environment.

In this context, this publication aims to describe the main opportunities for telecommunications operators in this new digital era, setting out current industry trends and analyzing the main challenges facing operators in the current market environment.

Matching Adjustment: a review of the methodological approach

The prolonged decline in interest rates is having a significant impact on the technical provisions of insurance companies, especially for long-term life products.

For years, insurance companies in Spain have applied a credit-risk-adjusted interest rate to matched portfolios similar to that used for discounting technical provisions in the asset portfolio, thus offsetting the impact of lower interest rates on financial statements.

As a result, with the advent of Solvency II and the requirement to assess technical provisions at market value using the risk-free interest rate curve, this problem has taken on special relevance for some institutions. On this basis, the Supervisor, after performing a series of quantitative exercises with the industry, established mechanisms such as Matching Adjustment in order to mitigate such impact.

Matching Adjustment is an adjustment to the discount curve used to calculate Best Estimate technical provisions, through which the portion of the spread not related to the default risk on assets or the probability of loss in the credit quality of assets is accounted for.

This publication describes the necessary steps to calculate Matching Adjustment, highlighting specific aspects that insurance companies should keep in mind, as well as setting out in detail the operational and governance implications of using Matching Adjustment and its impact on capital and the balance sheet.

Economic outlook report

Management Solutions conducts ongoing monitoring of key macroeconomic indicators in the economies in which it has the greatest presence, drawing conclusions on likely future trends.

This monitoring effort is embodied in our quarterly “Macroeconomic Outlook Report”, a document that also provides insight into the indicators affecting Financial Institutions (Banking and Insurance) as well as the Energy and Telecommunications industries.

Regulatory notes

As a firm providing professional consulting services for regulated industries, Management Solutions specifically monitors the regulatory environment affecting the industries in which it operates. On a weekly and quarterly basis, the Firm tracks major regulatory developments in the industries to which it provides advice and compiles technical notes on regulatory developments that have the greatest impact for those industries. These notes seek to summarize the rule, put it into context and explain some of its potential impacts.

Commitment to the industry

We implement an ongoing program of outreach activities and participation in specialized forums



Organization and participation in specialized conferences and seminars

Forum on credit risk modeling under IFRS 9, Austria

Management Solutions participated as a sponsor and a speaker at the 4th forum on credit risk modeling under IFRS 9 (International Financial Reporting Standard), which took place in Vienna and was attended by senior executives from central Europe's main financial institutions.

The two-day event provided a review of the main challenges arising from the new provisioning standard, IFRS 9, for credit risk modeling.

Management Solutions' presentation consisted of an introduction to the main methodological challenges with a special focus on non-IRB portfolios.

Presentation on IFRS 9 in ABIF, Chile

Management Solutions organized, together with the Association of Banks and Financial Institutions (ABIF), a presentation on IFRS 9 which was attended by finance and risk managers from a variety of institutions. The presentation explained the IFRS 9 principles for calculating provisioning for expected loss and how latest developments in the international financial sector compare to the situation in Chile.

The presentation focused on the calculation of expected loss provisions according to IFRS 9 and criteria published by the Basel Committee on "Sound Credit Risk Assessment and Valuation for Loans". The presentation also described the main differences between these principles and the current reality in Chile: while various Chilean financial institutions use internal expected loss methodologies to calculate provisions, there is a wide degree of heterogeneity in terms of alignment with management integration aspects and differences with the main IFRS 9 criteria.

Presentation on IFRS 9 in ADEBA, Argentina

Management Solutions took advantage of its international experience on the issue to give a presentation on IFRS 9 in the Argentine Banking Association (ADEBA).

The seminar, which was attended by the heads of Risk and Finance areas in local banks, provided the opportunity to debate the demands and challenges presented by the standard, analyzing the adaptation process being put into practice in the leading international institutions, as well as the path already traveled by local Argentine institutions.

Management Solutions' presentation explained the principles of recent standards issued by the Central Bank of the Argentine Republic and their impact on estimating provisions

under an expected loss approach and the related adaptation process in Argentina.

Presentation on IFRS 9 in ABAPPRA, Argentina

Management Solutions delivered a presentation in the Association of Public and Private Banks of the Argentine Republic (ABAPPRA) regarding IFRS 9 principles and the adaptation process in Argentina.

The presentation offered insights to the heads of Risk and Finance areas of local financial institutions on the demands and challenges posed by the standard. There was also the opportunity to study the adaptation process being undertaken by leading international institutions and the potential to build on progress that has already been made in Argentina in integrated risk management for adaptation to the IFRS 9 approach.

Asobancaria's Treasury Congress, Colombia

Management Solutions participated as a speaker at the Treasury congress organized by Colombia's banking association Asobancaria, attended and addressed by representatives of the World Bank, the Minister of Finance and Public Credit, the local authorities responsible for financial industry regulation, and the heads of Treasury from major financial institutions in Colombia.

The congress, which is the most important Treasury event organized annually in Colombia, included the presence of Management Solutions as a speaker at one of the sessions: "Impacts on Treasury management under the Basel III requirements."

Management Solutions' presentation provided a practical overview of the main impacts of the new regulatory

requirements, both from a business perspective (Proprietary Trading, Market Making, etc. for different asset classes) and from the point of view of their implications for model, organization, processes, technology and data requirements.

Roundtable on Managing Model Risk, Poland

Management Solutions organized a roundtable involving the National Bank of Poland, the Polish Banking Association and experts from the main Polish banks to debate Model Risk, "Recommendation W" and industry implications.

The main aim of the conference was to present and resolve questions regarding the application of "Recommendation W" to the Polish banking system, as well to begin early preparation of the banks for application of the new related regulation.



Asobancaria's Treasury Congress, Colombia

Commitment to the industry

Management Solutions shared its experience on Model Risk Management with conference attendees and outlined the new trends and market solutions on this issue, as well as best practices in other markets.

Model Risk Management and Capital Roundtable, United Kingdom

Management Solutions organized a Model Risk Management and Capital roundtable event with the banking industry in London.

Some of the United Kingdom's leading financial institutions contributed to discussions on topics such as the regulatory and supervisory approach, the definition and scope of Model Risk, the shape of a Model Risk Management framework, the functions involved in making it happen, the quantification techniques and applications/tools employed to support Model Risk Management and the impact of the recent Basel frameworks and proposals on modelling, human capital and business models.

Model Risk Conference, United States

Management Solutions sponsored the 8th Congress on Model Risk Management organized by the Global Financial Markets Institute (GFMI) which took place in New York and was attended by model risk professionals (development, governance, model validation, etc.).

Management Solutions had the chance to present on the "Implementation of a model risk management tool" describing the different requirements (catalog, workflow, reports, governance, etc.) and development/implementation approaches (external provider vs. internal team).

Seminar on Conduct Risk in the SBS, Peru

Management Solutions participated in a seminar on Conduct Risk organized by the Superintendent of Banking and Insurance of Peru (SBS) aimed at analyzing how the main global regulators and supervisors are advancing in the implementation of Conduct Risk with clients and, in particular, how Latin American banks are evolving in this regard.

Management Solutions was responsible for conducting the seminar held together with the Peruvian regulator, which was attended by SBS regulation managers.

Third International Conference of the Insurance Industry, Chile

Management Solutions participated at the Third International Conference on the Insurance Industry, organized in Santiago by Chile's Insurers Association. The event was attended and addressed by top executives from local and international insurance companies as well as by representatives from regulatory authorities, including Chile's Superintendency for Securities and Insurance.

The aim of the conference was for the over 300 insurance industry professionals present at the event to share the views held by companies, regulators and international experts on the subject of "Insurance in the digital age".



Third International Insurance Industry Conference, Chile

Management Solutions' delivered a presentation on Own Risk and Solvency Assessment (ORSA), discussing regulatory trends, what ORSA is, the benefits and implications of ORSA, and the steps for implementation.

Actuarial Function Conference, Spain

Management Solutions participated in the Actuarial Function conference organized by the College of Actuaries of Catalonia, which focused on the technical provisions for the life and non-life lines of business.

During the conference, attended by more than 30 people representing the actuarial function at different insurance groups, this function's main responsibilities regarding life and

non-life technical provisions were analyzed, highlighting relevant methodology and practical issues to be taken into account, and proposing key issues to be covered in the Actuarial Function's annual report to the Board.

Conference on IRB, United Kingdom

Management Solutions participated both as sponsor and speaker in the conference which took place in London on IRB (Internal Ratings Based) approaches and models and standardized approaches for Credit Risk and capital thresholds. The conference was attended by representatives of the main banks in the United Kingdom, as well as banks from central and northern Europe (with financial institutions from Germany, Austria, Switzerland, Sweden, Norway and Denmark).

The event alternated between expert speakers and roundtable discussions which analyzed the latest regulatory proposals on IRB models and standardized approaches to Credit Risk and the capital thresholds relative to the Risk Weighted Assets (RWA), providing first-hand knowledge of the strategies being adopted by the main European financial institutions.

"Beyond Basel III, new challenges for the financial system in the Central American region" conference, Panama

Management Solutions organized a conference in Panama with the aim of sharing its experience in the Basel III compliance process and the new challenges of the IFRS 9 standard.

The Conference was attended by over 180 people from organizations in Panama, Central America, Venezuela, Peru, Ecuador and Colombia, and high-profile speakers from regulatory authorities, global institutions, local banks and independent experts.

The Conference gave continuity to those also organized by Management Solutions in 2008 to mark the entry into force of Basel II, as well as those on Basel III organized by the Firm in Argentina, Brazil, Chile, Mexico, Peru and Colombia in 2012 and 2013. This made it possible to showcase the differences existing in the Basel compliance process across nations and thereby enrich the analysis of the main impacts of Basel III in Latin America.



"Beyond Basel III: New Challenges for the Financial System in the Central American Region" conference, Panama

Commitment to the industry

During 2016, the Firm participated as a speaker at more than 30 specialized conferences and seminars organized by different institutions and regulatory bodies

Unione Bancaria e Basilea 3 - Risk & Supervision 2016, Italy

Management Solutions participated as a speaker in the Italian Banking Association's Banking Union and Basel III - Risk & Supervision 2016.

This conference is an international benchmark in banking and brings together leading European executives from major Italian banks as well as several leading academics and key people from the Italian financial industry who were also speakers at the event.

Management Solutions' presentation explained how the firm interprets the BCBS 239 directive (RDA -Risk Data Aggregation- / RFF -Risk Reporting Framework-) guidelines and how it develops projects under an integrated approach.

Seminar on RDA in the SBS, Peru

Management Solutions took part in a seminar on RDA organized by the Superintendent of Banking and Insurance of Peru (SBS), which was attended by the Supervisor's lead people on regulation.

The seminar, held jointly by the Firm and the Peruvian regulator, was organized with the aim of sharing information on how leading global regulators are advancing in the implementation of the BCBS 239 directive and, particularly, how Latin American banks are progressing.

Asobancaria XV Financial Risk Congress, Colombia

Management Solutions participated at the XV Financial Risks Congress organized in Cartagena de Indias by the Association of Banks of Colombia (Asobancaria), which was attended by over 300 financial industry representatives from Colombia and other countries in the region (Panama, Costa Rica, Ecuador, etc.).

Management Solutions was invited to present the "Financial Industry Challenges from Data Aggregation", discussing in particular the Firm's international experience in effectively implementing BCBS 239 (RDA/RRF) through a comprehensive approach to data quality and governance and risk reporting development.



XII Risk Congress for the cooperative sector, Colombia

XII Risk Congress for the cooperative sector, Colombia

Management Solutions participated at the XII Risk Congress for the cooperative sector organized by Asoriesgos (Colombian association of financial institutions for cooperation). The Congress was attended by over 400 representatives from Colombia's cooperative and social enterprise financial sector and other state representatives.

Management Solutions was invited to share its international experience in capital adequacy assessment processes and economic capital models. Within this topic, Management Solutions' presentation dealt with the methodologies for integrated risk quantification, an area where regulations are increasingly aligned with international trends.

VI International Congress on Risk Management, Brazil

In addition to its role as a sponsor, Management Solutions participated as a speaker in the international congress on risk organized by Febraban (Brazilian Federation of Banks), which was attended and addressed by representatives from the regulator and major financial institutions from Brazil as well as other parts of the world.

This congress, in which Management Solutions was present as a sponsor and participating firm for the fifth year running, is the most important event on Risk Management organized in Brazil. The goal was to share the view of regulators, financial institutions and professional service providers on certain aspects relating to the latest risk management trends and challenges in financial institutions.

In addition, Management Solutions contributed two presentations to the Congress. The first was intended to share the Firm's international experience in supervisory stress tests, presenting best practice in the areas of governance and its implications on models and tools, with a focus on the Brazilian market (which was ratified by the participating regulator). The second presentation outlined the main synergies existing between operational risk management and internal controls across various areas (organization and governance, models, management tools, information models).

Market Risk Forum, Germany

Management Solutions sponsored the annual meeting of the Market Risk Forum organized by the Risiko Manager magazine in Frankfurt, which was attended by representatives of leading German banks, the Bundesbank and providers of services related to market risk.

The meeting focused on the main challenges facing the banking sector resulting from the adoption of the new regulatory framework for market risk, the Fundamental Review of the Trading Book (FRTB).

The Management Solutions presentation served to explain the Firm's value proposition for the implementation of new capital standards for market risk, as well as to introduce MIR as our proprietary solution for measuring risk and creating related reports.

Asset Control Event, United States

Management Solutions participated in an event organized by one of the main providers of solutions for management and control of market data, during which one of its main clients presented success cases in the use of these types of solutions.



VI International Congress on Risk Management, Brazil

Commitment to the industry

The seminar allowed the Firm to share experiences on key aspects involved in managing market data with representatives from the main local institutions.

XV ACGRE Risk Conference, Spain

Management Solutions participated in the XV Annual Risk Conference organized by the CGRE (Spain Risk Management Club), which was attended by representatives from international regulatory and supervisory bodies as well as directors from major Spanish financial institutions.

Under the theme "Risk Management: An era of change or a change of era?", the purpose of the conference, held at the Bankia Auditorium and attended by more than 150 people in

charge of the risk function, was to share the views of regulators and financial institutions on hot issues for the industry.

Management Solutions, Protector Member of the CGRE, actively participated in the event by moderating one of the plenary sessions that were part of the day's agenda, entitled "IFRS9 implementation and pricing policies", which included presentations by Bank of Spain's Deputy Director General of Supervision Mr. Pedro Comín, Bankia Auditor Mr. Sergio Durá, BBVA's GAIM Director Mr. Ricardo Gómez-Barredo, and Management Solutions's President and CEO Mr. Alfonso Serrano-Suñer. Other participants in the conference included Deputy Director General of the Single Supervisory Mechanism Ms. Margarita Delgado, Head of Supervisory Policies Division

Mr. Thomas Broeng Jorgensen, both from the European Central Bank, and Bankia's Chairman Mr. José Ignacio Goirigolzarri as well as representatives from other financial institutions such as Banco Santander, Banco Popular, Caixabank and Sabadell.

Conference on The Future of Nordic Banking, Denmark

In addition to being a sponsoring firm, Management Solutions participated as a speaker at the Future of Nordic Banking conference in Copenhagen, attended by more than 100 executives from major financial institutions in the Nordic countries who gathered together to share their views on the future of Scandinavian banking.

The conference's two days served to discuss the main challenges faced by banks in the region.

Management Solutions' presentation consisted of an introduction to Model Risk Management and best practice in an increasingly regulated environment.

Conference on risk management in financial institutions organized by Universidad del CEMA, Argentina

Through Argentina's Center for Studies in Banking and Finance, Universidad del CEMA has organized the first industry event on risk management in financial institutions in Buenos Aires

The event had more than 150 participants from the Argentinian financial industry, including representatives from regulatory bodies.

Management Solutions was invited to share its international experience in the process of determining and implementing risk appetite and risk tolerance.



XV ACGRE Risk Conference, Spain

Symposium on Risk Management organized by the ABM, Mexico

Management Solutions sponsored the 2016 Risk Management Symposium organized by the Association of Banks of Mexico (ABM) and held in Mexico City.

This annual symposium is today a forum for discussion in the field of financial and banking risks in which, for more than 15 years now, Mexico's national financial authorities (Banxico and National Banking Commission), internationally recognized experts and risk heads from all financial institutions in the country, have been meeting to analyze and discuss current regulations and best practices for risk management.



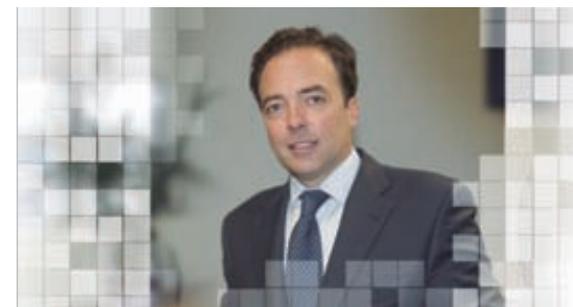
Conference on risk management - CEMA University, Argentina

7th Operational Risk Management Forum, United Kingdom

Management Solutions was both sponsor and speaker in the 7th operational risk management forum held in London, which was attended by representatives of the main banks in the United Kingdom and central Europe, as well as national authorities such as the FCA (Financial Conduct Authority, United Kingdom) and OeNB (Oesterreichische Nationalbank, Austria).

The event, which was held over three days, was mainly focused on analyzing the characteristics of the Standardized Measurement Approach (SMA) and how it will impact on banks' operational risk management, as well as sharing management best practices, especially for conduct and technological risk.

The three days alternated between expert speakers and roundtable discussions which raised numerous questions from the audience and provided the opportunity to acquire a first-hand insight into the strategies being adopted by the main European financial institutions for the issues discussed.



Antonio Oriol
Management Solutions Partner

"Being at the forefront of sectoral knowledge is a necessary condition to be able to exceed our clients' expectations"

Our sectoral specialization enables us to foresee clear responses to the main issues of concern for the industries in which we work.

We are committed to sharing industry knowledge. We set out to have a selective presence in the main sector forums in the countries in which we operate, as well as to publish specialized studies on issues of particular interest to each industry.

We also aim to share best practices between industries, identifying issues that have been dealt with more effectively by one industry than another. All this is possible because we work for entities which are leaders in their respective industries and regions.

Our specialization by industry enables us to foresee clear responses to the main issues of concern in those industries in which we work.

Committed to our professionals

The human factor is essential at Management Solutions. Engaging our professionals is a primary objective for us. For this reason, we strive to provide the best professional environment for them to develop their talent.

- 150,000+ RÉSUMÉS RECEIVED
- 370+ NEW RECRUITS HIRED
- 200,000+ TRAINING HOURS PROVIDED



One team

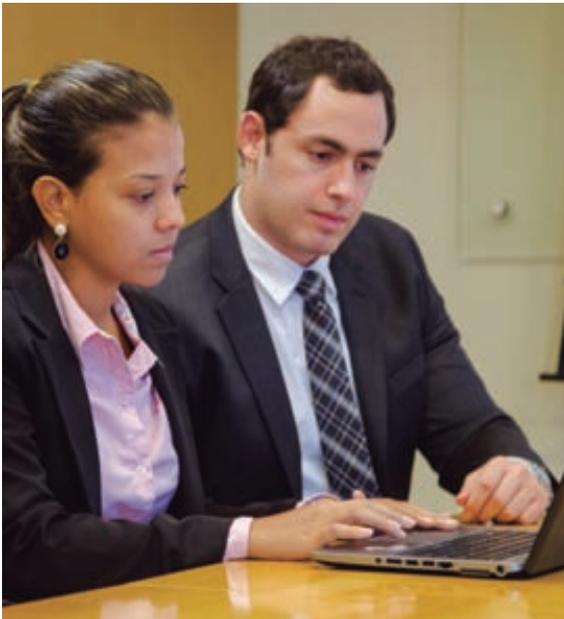
We strive to provide our professionals with the best environment to develop their talent

We are convinced that Management Solutions offers all its employees everything necessary for their maximum professional development, such as working:

- ▶ in the industry's most relevant consulting projects,
- ▶ for major companies, leaders in their respective markets,
- ▶ next to top management at companies in their national and international challenges,
- ▶ with an extraordinary team of professionals, whose values and corporate culture are a reference in the industry,
- ▶ and all of this by following a clearly defined career plan and continuous training.

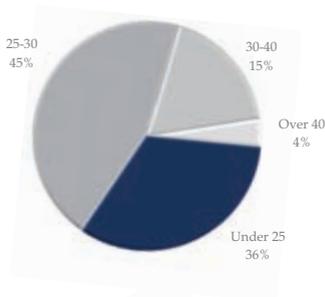
We are aware that optimum professional development and achieving excellence in our projects require effort and sacrifice; two words that form an undeniable part of our corporate culture. In our experience, this effort is rewarded by our clients' recognition and by the achievements attained by our professionals as they gradually shape their career.

Regardless of this reward in the professional field itself, we pay special attention to facilitating the best work environment possible and supporting our professionals in everything we can: training, technological resources, supporting documentation, accessible internal communication (Intranet), Human Resources policies (employee benefits, mentoring programs, international relocations, evaluations), medical service, etc.

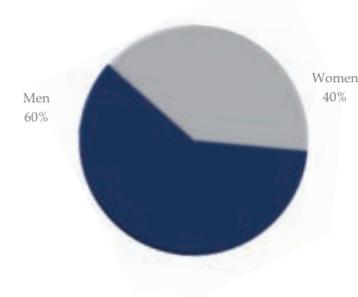


Distribution of workforce

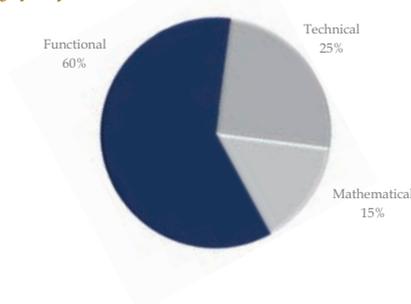
By age



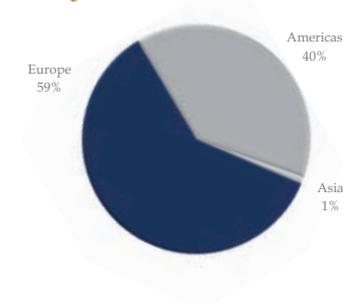
By gender



By profile



By nationality





In 2016, more than 150,000 résumés were received by Management Solutions offices world-wide

Recruitment and selection

Onboarding new professionals and therefore creating jobs for young people is one of our goals. Recruiting the best talent is one of our greatest challenges. Our Human Resources team is always on the look-out for professionals who share our corporate values and fit the right profile, people with a solid academic history, who are dynamic, have a drive toward self-advancement, have endurance, maturity, responsibility and the ability to integrate themselves into cross-functional teams.

Recruitment is essentially carried out through the following channels: presentations and seminars at universities, job fairs, our corporate website, contacts with career services at key European and American universities and business schools and employment portals.

Our Human Resources team ensures that the selection process is transparent and fair, based on equal opportunities, objectivity and candidate confidentiality.

During the process, candidates have the opportunity to get to know the Firm, discover our values and become acquainted with our work methodology.

Mentoring program

Our mentoring program, aimed at all professionals in the Firm up to Experienced Senior level, was created with the goal of listening and providing guidance to our professionals and helping us do our best to align their aspirations with the needs of the Firm.

Mentorship is performed by Partners, Directors, Managers and Supervisors, and its main function is to identify the concerns of professionals, advise them and become fully involved in their future career.

The scope of the mentoring program was expanded a few years ago to include future employees of the Firm (candidates who have passed the selection process and received a letter of offer).

All of them are assigned a mentor (Senior or Experienced Senior) whose mission is to guide them, answer any questions they may have, offer advice on project types and corporate culture and, thus, create a sense of belonging to facilitate their future onboarding.

Close to 1,900 people participated in the mentoring program in 2016. More than 300 of the management team (Partners, Directors, Managers and Supervisors) acted as mentors for over 1,500 professionals in their first to sixth year, contributing to their professional development within the Firm.

The mentoring program forms part of our corporate policy, which is why it is applied on a global scale and on a uniform basis throughout all Management Solutions units.

Human Resources policies

Internal career advancement

Career development within the Firm is one of Management Solutions' basic pillars. Thus, a new graduate can progress quickly to become a qualified professional in highly sophisticated areas of business management.

This is possible mainly due to two factors: Management Solutions' professional career and hierarchical structure. The Firm guarantees a clearly defined career plan, where professional development depends only on own merit and proven results. This development is aided by our evaluation system, in which professional skills and possible areas for improvement are identified.

In the semiannual evaluation, project managers assess the performance of each professional and inform him or her of the assessment results. The evaluation is an excellent opportunity for improvement and for exchanging comments and views between the evaluatee and the evaluator and providing the correct guidance on the work to be carried out.

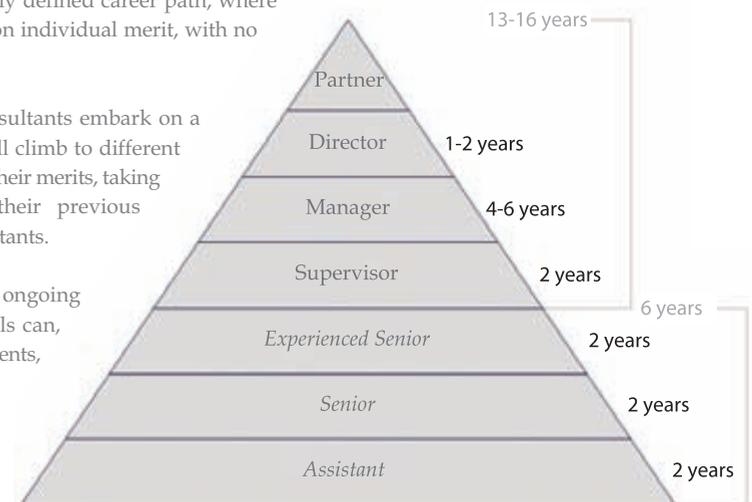
Management Solutions is a partnership, offering each professional the opportunity to become a partner in the Firm.

Career plan

Management Solutions guarantees a clearly defined career path, where career development depends exclusively on individual merit, with no limit to professional growth.

From the time they join the Firm, all consultants embark on a professional career during which they will climb to different levels of our corporate ladder according to their merits, taking on new responsibilities and leaving their previous functions to the upcoming intake of consultants.

This annual promotion system supports ongoing development and ensures all professionals can, over time and depending on their achievements, potentially become partners in the Firm.



Employee benefits

Management Solutions professionals receive a number of benefits in addition to their salaries. These benefits vary depending on regulations in each country, the most common being:

- ▶ Health insurance.
- ▶ Accident insurance.
- ▶ Life insurance.
- ▶ Luncheon vouchers.
- ▶ Childcare vouchers.
- ▶ Special conditions with financial institutions.
- ▶ Corporate agreements.

International assignments

Management Solutions' multinational activity is on the rise. This growth calls for increased travel between offices and, in some cases, relocation abroad. Work in other locations provides an opportunity for the Firm's professionals to acquire international experience, working in teams that are not only multidisciplinary but also multinational.

In all cases, particularly with regard to long-term postings, the goal of the Human Resources department is to make relocation as smooth as possible by taking the following into account:

- ▶ The personal preferences of the professionals involved.
- ▶ Compensation and benefits (meals and accommodation, relocation bonus, flybacks, insurance and other benefits to facilitate relocation).
- ▶ Logistical support to relocate.
- ▶ Employment, tax advice and procedural formalities.

Equality plan and anti-discrimination policy

Management Solutions' corporate culture establishes equal opportunities, without any form of discrimination, as one of its basic principles. For this reason, since its inception, the Firm has implemented measures to promote equality, regardless of the provisions of the legal system in each of the countries where it operates.

In order to articulate all measures implemented and to ensure strict compliance, Management Solutions has an Equality Plan that establishes the Firm's policies on equal

treatment and opportunities for men and women, designed to prevent any situation of professional discrimination, direct or indirect, especially on grounds of sex, access to employment, professional classification, training, promotion, remuneration, working time arrangements, as well as the reconciliation of work, personal and family life.

An Anti-Discrimination Policy was approved in 2016, which served to formalize principles already being applied by Management Solutions to avoid any type of discrimination in the Firm.



Training

Management Solutions places special emphasis on training its professionals, investing in 2016 more than 200,000 training hours

Management Solutions pays particular attention to training its professionals, spending more than 10% of capacity on this goal.

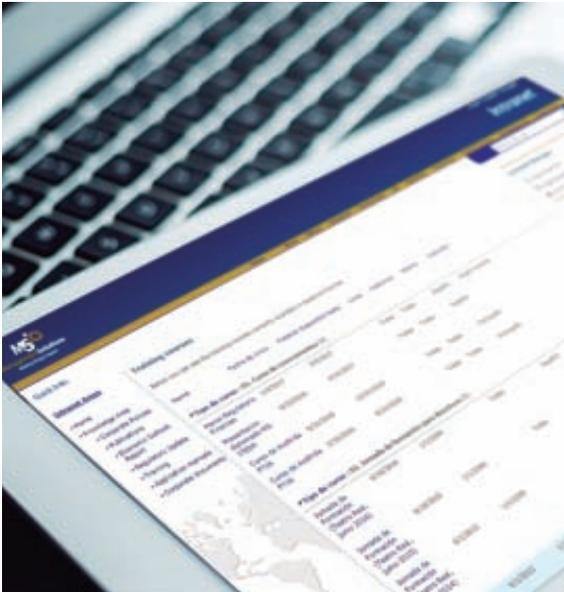
Our consultants join the firm with a wide variety of academic profiles. For this reason, professional life at Management Solutions begins with a training plan aimed at ensuring a strong common knowledge base that will prepare our people for the new challenges and responsibilities they will immediately assume.

Training in the first two years in various offices is provided through the Master's Degree or Diploma programs, meaning that all professionals entering into Management Solutions in these offices receive the Master's/Diploma in Business Consultancy, which is jointly provided by the Universidad Pontificia Comillas/Instituto Tecnológico de Monterrey and

Management Solutions and lasts for two years, with approximately 600 training hours.

The Master's program aims to provide the knowledge and skills needed to deliver excellent performance in the field of business consulting. This includes the following:

- ▶ Mastering the basic subjects essential for the performance of consultancy work, including economics, accounting, applied mathematics and statistics.
- ▶ Knowing the regulatory framework, market trends and the current situation of the financial sector.
- ▶ Acquiring advanced expertise of the financial sector, its products, and the management of its risks and processes.



One-day Executive Seminar

A one-day training course for Management Solutions' senior executives was held on June 16, 2016. The opening speech by Mr. Alfonso Serrano-Suñer, Chairman and CEO of Management Solutions, gave way to a number of presentations which dealt mainly with the current economic climate and the challenges facing financial institutions and were delivered this year by prominent speakers from the business world.

- ▶ Mr. Oriol Aspachs, Head of Macroeconomics at CaixaBank Research.
- ▶ Mr. José María Fuster, Chairman of Digital Innovation Ecosystems.
- ▶ Mr. Ángel Rivera, Head of Commercial Banking at Santander.
- ▶ Mr. Gorka Venero, Director of Global Planning Office at BBVA Group.
- ▶ Mr. Juan Antonio Gómez Bule, Chairman of S21SEC.
- ▶ Mr. Javier Calvo, Management Solutions Partner.

- ▶ Mastering the technological tools necessary for undertaking professional consultancy work, including office automation, statistical software and database design.
- ▶ Applying the skills and knowledge acquired in different contexts and using them to solve a wide range of problems.

In addition to the initial training plan, Management Solutions consultants have extensive training opportunities throughout their career, averaging 600 hours devoted to training in the first two years, 100 hours at senior and experienced senior level and 40 hours from supervisor level onwards.

Through our training courses, programs designed for each professional category and seminars to develop specific capabilities, we aim to provide the best training opportunities to expand knowledge and develop skills.

For the purpose of advancing the knowledge areas most relevant to each region, and thus contributing to local business growth, Management Solutions offers regional courses as part of an overall training program comprising local, global and regional courses.

- ▶ Local courses. Courses designed for professionals in the same office or unit, always supported by the Human Resources team.

- ▶ Global courses. Courses designed for professionals within a single category or across categories throughout all Management Solutions offices.
- ▶ Regional courses. Courses designed for all professionals within a particular region.



Commencement ceremony for the third graduating class of the Master's degree in Business Consulting

More than 150 Management Solutions professionals received the Master's degree in Business consulting, offered jointly by Management Solutions - ICADE Business School.

The graduation ceremony was held at ICADE's Main Hall and was attended by the Master's third graduating class students, tutors and teachers in the Master's program, and friends and family who wanted to accompany students in their graduation. The event was hosted by Mr. Alfredo Arahuetes (Dean of ICADE's Economics and Business Studies Faculty), Mr. Miguel Ángel Poblet (Partner and Director of Internal Corporate Departments at Management Solutions), Mr. Pedro Martínez (Management Solutions Partner), Mr. Jacobo Díaz (Head of Corporate Development, Products and Markets at Bankinter), and Mr. José M^a Pérez Garrido (Director of ICADE's Business School).

Before the graduates were handed their diplomas, attendees were addressed by Mr. Rubén García, representing the students; Mr. Jacobo Díaz García, acting as honorary mentor for this graduating class; and Mr. Miguel Ángel Poblet, who represented Management Solutions at the ceremony.

After the diplomas were presented, with a special mention to Ms. Amaia Esquisabel, Mr. Rubén García, Ms. Carmen Barrachina and Mr. José Ignacio Martín for having achieved the best four academic records, the ceremony was closed by Mr. Alfredo Arahuetes, Dean of ICADE's Economics and Business Studies Faculty.



Mr. Jacobo Díaz García, honorary mentor for the third graduating class of the Master

Training

Specialized Knowledge courses

On-site courses involving an evaluation test and being delivered by the Firm's Partners, Directors, Managers and Supervisors throughout the first years of the professional's career.

Specialized external courses

Specialized courses or seminars for professionals to update knowledge, obtain certifications or receive specialized training in a specific area, for a specific project or for R&D&i.

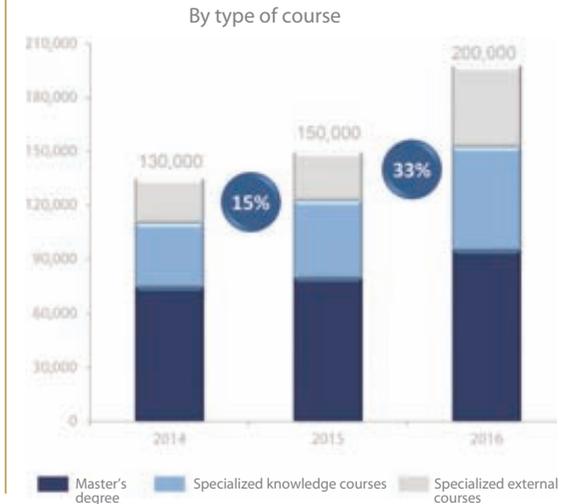
Skills courses

Courses aimed at developing the skills needed for professional practice (team management, leadership, development of lasting customer relationship models, etc.), mostly taught by leading outsourcers in the market, targeted at professionals from all our offices who have reached Senior level or above.

Language courses

Language courses - English, Portuguese, Italian, German, Spanish, etc., are offered depending on the specific needs of our professionals in each of the Firm's units. These can be group courses (for all professionals) or one-on-one private lessons (for Supervisors and above).

Annual training hours



New specialization in Data Science

From September 2016 Management Solutions has started teaching a new sectoral specialization as part of the Management Solutions/ICADE Business School Master's Degree in Business Consultancy: Data Science.

This specialization is aimed at technical and methodological profiles and provides necessary tools to put data analysis at the heart of the value proposition for our clients.

The program's objectives are as follows:

- ▶ Effectively handle classical and advanced modeling procedures, adapting them to the current needs of entities: predictive and profitability models, data processing, machine learning, optimization processes, etc.
- ▶ Strengthen the use of statistical tools for data analysis and modeling. Intensive training in R, Python and SAS.
- ▶ Familiarization with technological resources and tool alternatives for use in Data Science, understanding their advantages and disadvantages and applications for work.

Management Solutions Training Plan

Knowledge courses

Business

Financial System
Wholesale Banking
Retail Banking
Insurance
Energy
Telecommunications
Economic and Financial Situation Analysis
Financial Ethics
Investment Banking
Asset Management
Private Banking
Collections
Corporate Strategy and Business Risk

Risk Management

Market
Credit
Operational
ALM
Integrated Risk Management
Project Risk Management
Capital and RAROC
Risk-adjusted Return
Liquidity Risk
Counterparty Risk
Market Data Management: Organization and Architecture for Market Data Management
Applied Mathematics
Microfinance
Conduct Risk and Non prudential risks

Markets and Products

Fixed Income
Equity Income
Advanced Derivatives
Credit Derivatives
Structured Products
Exotic Options
Commodities
International and domestic financial markets
Project Finance and Corporate Finance

Specialized external courses

GARP's Financial Risk Manager*
PMP Certification

* Possibility to prepare for GARP's FRM certification for senior consultants and above, which provides 130 additional training hours.

Organization, Processes and Systems

Organization and Governance
Process redesign and transformation
MIS
Efficiency
Processes
Back Office processes (retail and wholesale)
Settlement and custody
Marketing Management and CRM
Management Control
Information Reporting
Cost-transfer ratio

Regulatory Framework

Basel II and III
Solvency II
SOX
Payments Directive
MiFID
Bank of Spain Circulars
Financial analysis and corporate management information
Analysis of Financial Statements
Energy industry regulations
Telecommunications industry regulations
Regulatory changes in the banking industry
Internal Control Implementation Principles and Methodologies
Regulatory updates

Technology/Methodology

Basic Technology
Development
Systems Architecture
Database Design and Modeling
Microstrategy
Business Intelligence
Business Objects
Trading Tools
Workshop on Trading Tools
Methodology for the Design of Informational Systems
PMO Methodology
Statistical and Datamining Tools
Financial Modeling
Big Data
Agile
Qlik View Developer
Specialist trading solutions

Skills courses

Effective presentations
Negotiating
Generating business through the team
Professional Coaching



José Bielsa
Management Solutions Partner

"We seek to offer our professionals the best environment possible to develop their talent"

Our Firm applies a rigorous selection procedure, which looks for both an outstanding academic record and sound personal qualities.

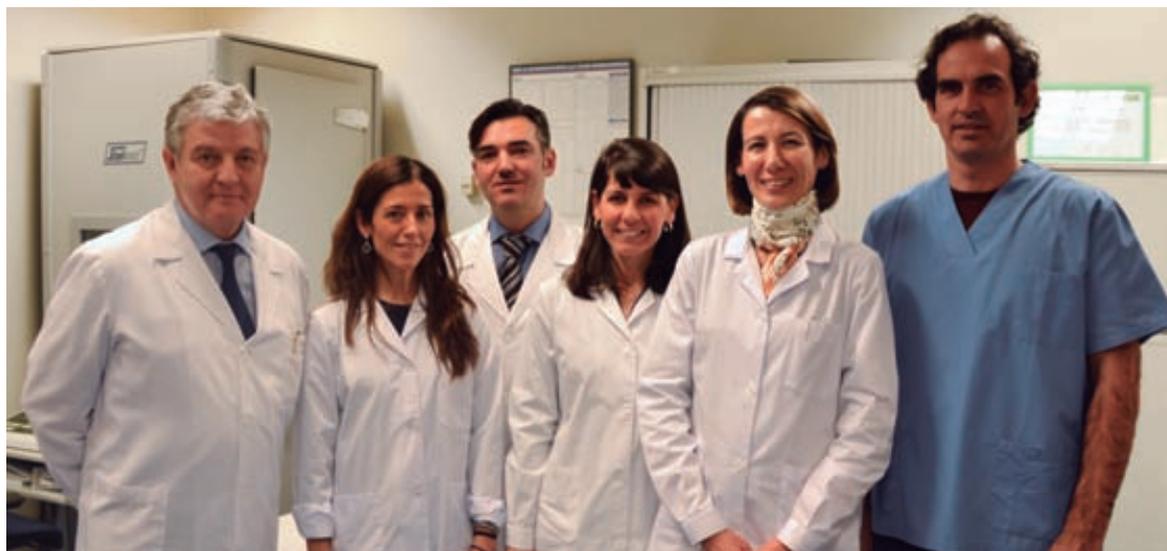
Our training plan has received maximum market recognition for its high quality and diverse content. The program awards a Master's degree in Business Consultancy after the first two years of practice.

We offer a merit-based career path, supported by sustained, organic growth. In addition, we closely monitor the careers of all our employees to help nurture their talent, knowledge and the necessary skills to succeed in their profession.

We are therefore proud to say that Management Solutions professionals are truly unique.

Occupational risk prevention and medical service

We have robust occupational risk prevention policies in place as well as an excellent on-site medical service



Medical Service for the Madrid office, Spain

Management Solutions implements occupational risk prevention and medical service policies that comply with current regulations in the countries that the Firm is located in. Our professionals are offered private medical assistance programs, as well as access to other services, depending on the country in which they are located.

For example, the following is a description of policies and services applicable to our main office in Spain.

Management Solutions' Work Health and Occupational Risk Prevention Service covers four preventive disciplines:

- ▶ Occupational Medicine
- ▶ Safety at work
- ▶ Industrial Hygiene
- ▶ Ergonomics and Applied Psychosociology

The Occupational Health Service works in four areas: prevention, care, counseling, and predictive medicine. Prevention targets both the work environment and the workers themselves:

Environment

Studies are conducted on environmental hygiene and noise levels. A risk assessment and a prevention plan are regularly updated. Prevention guidelines are issued, and are accessible to employees via the corporate intranet. Additionally, the following environmental controls are monitored on a regular basis:

- ▶ Indoor air quality, which requires monitoring of airborne bacteria, fungi concentration, and CO and CO₂ levels.
- ▶ Fitness of food supplied through the vending machines.

- ▶ Thermohygienic conditions of office space by monitoring temperature, relative humidity and light levels as well as air quality.
- ▶ Average air velocity in the air-conditioning system.

Employees

All employees undergo a medical check-up upon joining the Firm and are offered optional health examinations on an annual basis.

Medical assistance covers work-related accidents, diseases, common illness, occupational accidents, vaccinations, and travel care. Travel care is reserved for employees who engage in international travel for personal reasons, professional work, or Social Action volunteering.

The medical services provided include a physiotherapy service on-premises, which is available to all Management Solutions employees as necessary.

Health insurance

Furthermore, Management Solutions professionals can sign up for an optional private health assistance service, which is 50% subsidized by the Firm. In addition to the extensive catalogue of medical providers offered, this service includes an expense reimbursement method, reduced dental treatment rates, refractive surgery for short-sightedness and medical assistance while traveling.

Health information

The service offered by Management Solutions surpasses the standards set by organizations and public institutions regarding health and safety at work. The Intranet establishes a system of communication with employees that offers professionals comprehensive information regarding health, as well as risk-prevention guides and news of interest.

The Intranet also offers useful professional information to the employees. The Health Service Department prepares a series of reports which are published in the news section, available to all professionals, on the main illnesses and risks that could affect staff.

Special campaigns

Influenza vaccine. Prevention of influenza development at the start of autumn.

Cardiovascular disease prevention plan. Ongoing prevention of cardiovascular disease (heart attacks, strokes, etc.) through regular checkups, following the protocols established by the National Cholesterol Education Program, Adult Treatment Panel III.

Cancer Prevention. During routine medical check-ups, colon cancer risk stratification tests are carried out and advice is given according to the check-up results and the personal and family history, based on guidelines from the Spanish Gastroenterology Association.

For women over 35, the risk of having breast cancer in the next 5 years or later in life has been calculated following models from the American Cancer Society. From a certain age, men are tested for tumor markers of prostate cancer

Cervical Cancer Prevention Plan. Depending on the personal characteristics of each patient, HPV tests are carried out to determine the presence of this virus in the cervix.

Anti-smoking treatments. These are ongoing campaigns according to patients' needs.

Fight against high blood pressure. Holter monitoring of blood pressure is carried out as part of the medical tests needed for accurate diagnosis.

Vaccines for international travel. Protection against illnesses on trips to certain countries. These campaigns are carried out on an ongoing basis.

Predictive Medicine at Work. Predictive Medicine at Work is now operational, making us pioneers in Spain in the implementation of this type of studies which are currently carried out in two major areas:

- ▶ **Pharmacogenomics.** Used in patients with oncological or cardiovascular-related medical conditions to assist specialists in treatment personalization, following recommendations from international scientific institutions.
- ▶ **Venous thromboembolism prevention.** For women who require certain drugs (e.g. to treat polycystic ovaries) that increase the risk of venous thrombosis, there is a procedure for the study of genetic variables that will make it more likely to establish a thrombotic process so it can be prevented before it happens.

Occupational risk prevention

The health service area on the Intranet contains a series of documents aimed at occupational risk prevention which can be highly useful.

Directory of risks and preventive measures. This document is a summary of the possible circumstances that may lead to certain risks and preventative measures that can be taken to avoid them.

Basic rules on fire prevention and handling fire extinguishers. Prevention is the key to fire safety.

Basic evacuation procedures. Procedures to be followed should the building's evacuation alarm go off.

Security of facilities outside office hours. Basic security rules to be followed while using any facilities outside office hours.

Basic safety rules to be followed while staying at clients' facilities. A road safety plan has been performed and as part of annual actions a study has been initiated to analyze the level of drowsiness and the potential impact it can have on work-related traffic accidents, applying the Epworth scale.

Ergonomic studies. At the request of either the employee or the medical service, ergonomic studies are carried out by a qualified Risk Prevention at Work officer to correctly adapt a workstation to the person.

Training in RP at Work. All professionals take a basic occupational risk prevention course developed by our own risk prevention technicians. Primary intervention teams also take specific courses in centers set up to provide this type of training.

Employee support services

The main purpose of our Internal Corporate Departments is to generate value for the Firm

Support areas

The main purpose of the Firm's Internal Corporate Departments is to generate value for the Firm. This value generation largely focuses on providing efficient administrative and support services to all professionals. Although some of these services have already been described in previous sections, they include other areas such as Information Technology, Documentation and General Services.

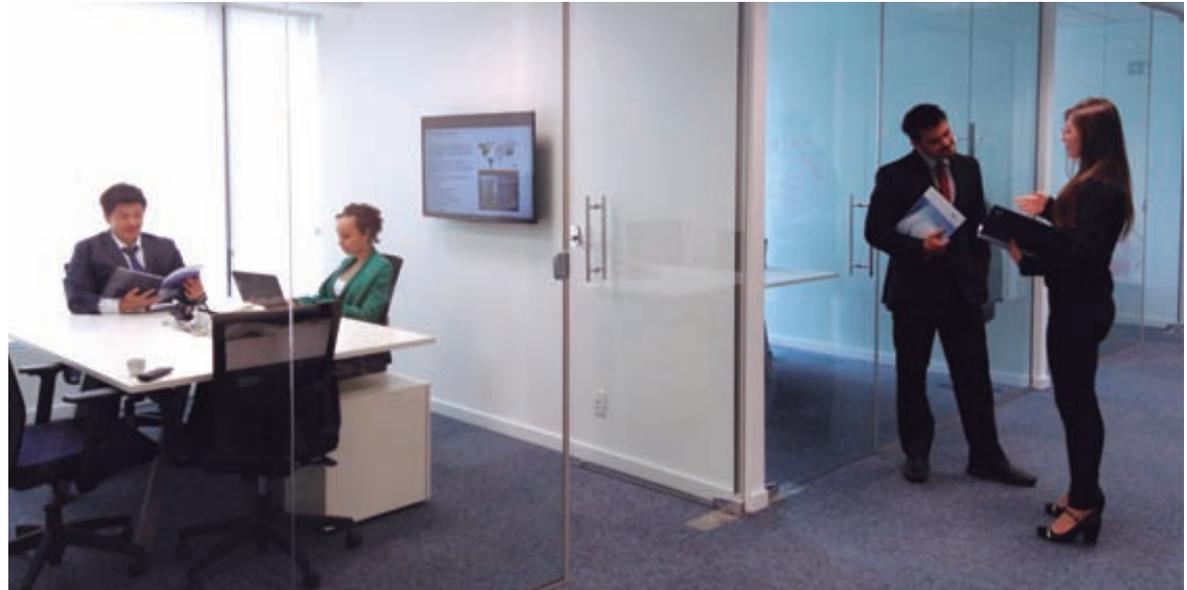
Information Technology

The Information Technology area aims to provide the Firm with the technology (applications, systems and communications) required for developing and supporting the business under four fundamental criteria: security, functionality, mobility and connectivity; all of this is under the principle of maximum efficiency.

The Firm's professionals are provided with tools enabling them to work and access information quickly and securely from various locations: Management Solutions' offices, clients' offices, from their own homes and from transit areas (airports, employee support services hotels, etc.).

Documentation

Knowledge sharing is very important at Management Solutions. Providing access to information is an essential element of support enabling our professionals to efficiently undertake their projects. The documentation service organizes the information generated, making a distinction between own and third party documentation:



São Paulo office, Brazil

- ▶ Own documentation: legislation and regulatory documents, training courses, presentations, in-house publications, macroeconomic outlook reports, etc., available via the corporate Intranet.
- ▶ Third party documentation: books, publications and specialized information sources, available upon request from the Firm's Library Services.

Infrastructure and General Services

Infrastructure and logistics management, graphic design, translation, etc., are services that complement all the above and are aimed at facilitating the work of Management Solutions' professionals.

In particular, team work by the infrastructure department is necessary to efficiently manage the opening and operation of new offices or the extension of existing ones. In this regard, new offices were set up in 2016 in Rome in Italy, Paris in France and Birmingham (Alabama) in the United States. Furthermore, the São Paulo headquarters in Brazil have been moved to a new, larger office, in line with a new open architecture design for installations, which is intended to be more flexible and functional, facilitating team work and exchange of ideas within high capacity, multifunctional modular spaces. This new design will be progressively introduced into other headquarters.

Corporate agreements

Every Firm employee is entitled to certain benefits due only to their employment at Management Solutions.

Access to special deals on banking services for groups

The Firm provides its professionals with some of the best deals on banking services available for groups, including special conditions for salary bank accounts, cards, loans, mortgages, virtual banking, etc.

Credit card

Two agreements are in place to enable Management Solutions' professionals to access credit cards that are totally free of charge and offer special terms regarding payment, credit limits, insurance and other advantages.

Travel agent

Management Solutions' professionals can benefit from a number of advantages and exclusive prices, both with regard to business trips and to personal travel and vacations. This service is managed through the Intranet and via a site customized for Management Solutions by our supplier.

Other offers

Apart from the corporate agreements, Management Solutions frequently receives offers addressed to its employees from financial institutions, car dealerships, gyms, cultural institutions, etc.



Birmingham office, United States



São Paulo office, Brazil

Internal communication

Internal communication is an element of integration for all Management Solutions professionals

Internal communication is not just about conveying corporate messages, but is an element of cohesion and integration among the Firm's different offices and areas.

Corporate Intranet

Provides the main channel for internal communication other than electronic mail, and is updated, maintained and improved by the Marketing and Communication Area.

Our VPN (Virtual Private Network) connection and the recently launched MDM (Mobile Device Management) software for BYOD mobile devices enable all Management Solutions professionals to access the corporate intranet from anywhere in the world without having to be physically in the office.

Our Intranet contents translated into three languages (Spanish, English and Portuguese) are very wide ranging. Some of the most significant are the following:

- ▶ News: current news concerning both the Firm (key projects, new clients, links with universities, events, etc.) and industries or areas of activity in which we operate (selected and summarized by our R&D Department).
- ▶ Financial and macroeconomic information on the main countries in which we operate: data on daily movements of major stock price indices and daily interest rates and exchange rates, GDP, inflation, etc.
- ▶ Documentation: documents on rules and regulations, training courses, presentations, internal publications and reports, corporate policies, etc., classified under the Knowledge Area.
- ▶ Access to corporate applications.
- ▶ Access to personal information: project assignment, payroll, personal account, etc.

- ▶ Information relating to Internal Corporate Departments (Human Resources, Marketing, General Services, Technology, etc.)
- ▶ Information, content, photographs, etc. on activities organized by Social Action or the Sports Club.

Global Yearly Meeting

Management Solutions' main internal communication event is its Yearly Meeting. This is an annual global convention that brings together a large part of the Firm's professionals and is held in July in Madrid, marking the close of our fiscal year.

At this annual meeting, the partners offer Management Solutions' professionals a summary of the results for the fiscal year, the milestones achieved and the challenges for the upcoming year, all grouped according to our six strategic pillars: diversification, profitable growth, R&D innovation, human resources management, communication, and organizational flexibility.

Our Yearly Meeting includes the participation of some of our main clients' CEOs, directors and top executives as well as representatives from the academic world.

This gives our professionals the opportunity to listen to different approaches and perspectives on areas related to their activity, delivered by top leaders of great prestige.





Guest speakers at Yearly Meeting 2016



Mr. José María Roldán
Chairman of AEB and Vicepresident of EBF

Mr. Jaime Pérez Renovales
General Secretary and Secretary of the Board –
Head of Human Resources at Grupo Santander

Internal communication

Yearly Meeting 2016

Management Solutions' Global Yearly Meeting 2016 was held on July 15th, bringing together around one thousand professionals from the Firm under the theme "Building the digital era".

As in previous occasions, the event included a review of the Firm's achievements in FY16 and challenges for FY17 and featured the participation of top executives from some of our main client companies.

The Yearly Meeting, held on this occasion at the Teatro Real in Madrid, began with a review of the market environment, by Mr. Ignacio Layo (Partner at Management Solutions), and continued with a presentation by Mr. Alfonso Serrano-Suñer (Chairman and CEO of Management Solutions) which described the progress made by the Firm during the year ending August 2016, and the challenges for the future in terms of diversification, innovation, human resource management, profitable growth, organizational flexibility and communication.

On this occasion, Management Solutions professionals had the privilege of listening to presentations from Mr. Jaime Pérez Renovales, General Secretary and Secretary of the Board – Head of Human Resources at Grupo Santander and Mr. José María Roldán, Chairman of AEB (Spanish Banking Association) and Vicepresident of EBF (European Banking Federation).

Guest speakers at previous Management Solutions Yearly Meetings

Yearly Meeting '15. Royal Theatre

Mr. Teppo Paavola, Sr. EVP, GM of New Digital Businesses at BBVA
Mr. Juan Colombás, Executive director and Chief Risk Officer at Lloyds Banking Group
Mr. Víctor Matarranz, Head of Group Strategy and of the Executive Chairman's Office at Banco Santander

Yearly Meeting '14. Municipal Congress Palace

Mr. Emilio Saracho, Deputy CEO, EMEA at J.P. Morgan
Mr. Francisco Gómez, CEO of Banco Popular
Ms. Eva Castillo, Director at Telefónica

Yearly Meeting '13. Royal Theatre

Mr. Emilio Botín, Chairman of Santander Bank
Mr. Antonio Brufau, Chairman of Repsol
Mr. José Ignacio Goirigolzarri, Chairman of Bankia
Mr. Julio L. Martínez, Rector at Universidad Pontificia Comillas

Yearly Meeting '12. Municipal Congress Palace

Mr. Manuel Soto, 4th Vice-Chairman of Grupo Santander
Mr. José María Abril, Vice-Chairman of Telefónica
Mr. Antonio Huertas, Chairman of Grupo Mapfre

Yearly Meeting '11. Municipal Congress Palace

Mr. Alfredo Sáenz, 2nd Vice-Chairman and Chief Executive Officer of Grupo Santander
Mr. José Luis San Pedro, Chief Operating Officer of Grupo Iberdrola
Mr. Alfonso Alonso, Global Director of Transformation at Telefónica

Yearly Meeting '10. Municipal Congress Palace

Mr. Jorge Morán, Head of Global Insurance and Direct Banking at Grupo Santander
Mr. José Antonio Olavarrieta, General Manager of CECA
Mr. José Luis López, Vice President and Director at Banesto

Yearly Meeting '09. Municipal Congress Palace

Mr. Francisco González, Chairman of BBVA
Mr. Juan Carlos Rebollo, Director, Accounting and Control at Grupo Iberdrola
Mr. Fernando Madeira, CEO of Terra Latinoamérica
Mr. José Antonio Álvarez, CFO of Grupo Santander

Yearly Meeting '08. Municipal Congress Palace

Mr. Ángel Cano, CEO of BBVA Group
Mr. Francisco Iniesta, Associate Director, IESE Business School
Mr. Honorato López Isla, Vice-Chairman and CEO of Unión FENOSA
Mr. José María Nus, Director at Banesto

Yearly Meeting '07. Meliá Castilla

Mr. Adolfo Lagos, General Manager of Grupo Santander
Mr. José Sevilla, General Manager, Risk Division at BBVA Group
Mr. Gregorio Villalabeitia, Vice-Chairman and Director at Telefónica
Mr. Marcel Planellas, General Secretary, ESADE

Yearly Meeting '06. Meliá Castilla

Mr. Marcial Portela, CEO of Santander Brazil
Mr. Manuel Méndez del Río, CRO of BBVA
Mr. Jorge Gost, CEO of Banco Pastor
Mr. Carlos J. Álvarez, CFO of Gas Natural
Mr. Jaime Requeijo, Head of CUNEF

Yearly Meeting '05. Congress Palace Building

Mr. Fernando Ramírez, CFO of Repsol YPF Group
Mr. Ignacio Sánchez-Asiaín Sanz, CIO of BBVA
Mr. Juan Andrés Yanes, Deputy General Manager, Global Risk Division at Grupo Santander
Mr. Francisco Gómez Roldán, CEO of Abbey Nacional PLCD
Ms. Josefa Peralta Astudillo, Dean of Faculty of Economics and Business, ICADE

Yearly Meeting '04. Royal Theatre

Mr. Matías Rodríguez Inciarte, Vice-Chairman and CRO of Grupo Santander
Mr. José María Fuster, CIO of Banesto and Head of Strategic Technology at Grupo Santander
Mr. Juan Antonio Hernández Rubio, CFO of Unión FENOSA
Mr. Juan Hoyos, Managing Director of McKinsey Spain and Portugal
Ms. Susana Rodríguez Vidarte, Director at BBVA Group and Dean of Deusto's Commercial University



Yearly Meeting Brazil



Laura León
Management Solutions Partner

"Our internal communications policy supports cohesion and the integration of professionals into the Firm"

In only fifteen years, Management Solutions has experienced extraordinary growth, becoming a market leader in business consultancy for regulated industries in more than forty countries across Europe, North America, Central America, South America, Asia and Africa.

This has required us to pay particular attention to internal communications as the backbone for embedding our principles and values in each and every region in which we have a presence.

For this reason, we have a comprehensive internal communication plan that allows us to consistently convey all kinds of information on our Firm to our professionals wherever they may be, as well as sharing our values and principles, strategy, achievements, challenges, while at the same time responding to the specific needs of each office.

Local Yearly Meetings

In 2016, more than 800 professionals participated in the Yearly Meetings held in the UK, Germany, USA, Brazil, Mexico, Chile, Argentina, Peru, and Colombia. These meetings have served as an effective communication outlet, allowing professionals who have not attended the Global Yearly Meeting in Spain to access the same information and feel as they are a part of the Firm's achievements and challenges.

Yearly Meeting Brazil

Brazil's Yearly meeting, held at the Hilton Hotel in São Paulo, began by reviewing Management Solutions' performance in Brazil in fiscal year 2016. Also discussed were the Firm's global and local challenges for fiscal year 2017.

After the presentations, the more than 150 professionals attending the event enjoyed a cocktail in one of the hotel's halls, followed by a dinner held later in the day.

Yearly Meeting Argentina

Professionals from the Argentina office gathered at the Sofitel Cardales hotel for their Yearly Meeting.

The meeting reviewed the Y2016 achievements and the challenges for the following year at both the global level for the Firm and specifically for Argentina. The day closed with a dinner at the same hotel in which the conference was held.

Internal communication



Yearly Meeting United Kingdom

Yearly Meeting United Kingdom

Management Solutions professionals from our UK office came together for the Yearly Meeting 2016, held at One George Street Convention Center, to review the Firm's achievements in the UK and the goals for the following year. Also, attendees were able to listen to guest speaker Ms. Soledad Tamariz, Technology and Operations Director for Finance, Risk and Collections at Santander UK, who delivered a presentation entitled "A Journey from Technology to Innovation".

After the presentations, those professionals who attended the Yearly Meeting closed the day with a dinner at a well know venue in London.

Yearly Meeting Germany

Members of the Germany office gathered in the Radisson Blue Hotel to hold their first local Yearly Meeting. The meeting took



Yearly Meeting dinner, Brazil

place under the "Building the digital era" slogan and discussed the current economic climate, important achievements in 2016 and the ambitious challenges set for 2017, both at the global Management Solutions level and for the Germany office.

Yearly Meeting Mexico

The Yearly Meeting in Mexico took place this time around in the hotel Hyatt Regency in Mexico City and was attended by around 200 of the Firm's professionals.

The meeting was held under the "Building the digital era" slogan and discussed the current economic climate, important achievements in 2016 and the ambitious challenges set for 2017, both at the global Management Solutions level and for the Mexico office. The conference closed with a gala dinner at one of the conference hotel halls.



Yearly Meeting Chile

Yearly Meeting Chile

Chile's Yearly Meeting 2016 was held at the Monticello Convention Center on the outskirts of Santiago and attended by professionals from our Chile office as well as by those on assignment in Santiago from other Management Solutions offices. More than 50 professionals attended the meeting to review the Firm's accomplishments in the past fiscal year in Chile and to discuss goals for the following year.

The Yearly Meeting in Chile ended with a dinner at a restaurant in the Convention Center.

Yearly Meeting United States

The US Yearly Meeting, held at the Hyatt Regency hotel in Boston, was attended by Management Solutions professionals from the New York, Boston and Birmingham offices.

Professionals attending the event had the opportunity to review the goals achieved by Management Solutions during the past year and to discuss the Firm's challenges for the following year in the US.

After the meeting, attendees were able to enjoy the Yearly Meeting's closing dinner at a popular restaurant in Massachussets' capital city.

Yearly Meeting Peru

Professionals from the Peru office met in the hotel Novotel Lima to hold their Yearly Meeting where they reviewed the goals achieved during the last financial year, as well as the challenges set for the next year, both at the global level as well as in relation to the Firm's specific activity in Peru.

The seminar closed with a dinner in a well-known restaurant in Lima.

Yearly Meeting Colombia

Professionals from the Colombia office met in the hotel Metrotel Royal Park to hold their local Yearly Meeting, during which they reviewed the goals achieved during the last financial year, as well as the challenges set for the next year, both at the global Management Solutions level as well as in relation to the Colombia office.

The seminar closed with a dinner in a well-known restaurant in Bogota.

First Meeting of Management Solutions Alumni, Spain

Management Solutions organized its First Alumni Meeting in Madrid at the end of 2016. This was the first event aimed at people who have formed a part of Management Solutions and was attended by more than 200 people made up of current and former members of our Firm.

The meeting, held at the Royal Theater in Madrid, was highly appreciated by attendees, who praised the relaxed atmosphere. The reunion with former colleagues allowed those who attended the meeting to share experiences and reminisce their time at Management Solutions.



Yearly Meeting, Mexico

Sports Club

More than 500 professionals participated in the tournaments and activities organized by the Sports Club in 2016

The Sports Club started as part of an initiative by Management Solutions to promote and facilitate the practice of sports among its professionals by organizing internal championships and sponsoring participation in outside inter-company competitions.

Internal championships

In 2016 our Madrid office held indoor soccer and paddle tennis championships for the eleventh consecutive year. More than 100 professionals participated in the indoor soccer championship (divided into 12 teams) competing in a preliminary round and play-offs for the title. The paddle tennis tournament - made up of men, women and mixed teams - brought together more than 130 people (66 pairs).

Professionals in the Santiago de Chile office held their fifth paddle tennis tournament with thirty participants, divided into fifteen mixed pairs.

A paddle tournament was also organized for the first time in the Portugal office in 2016.

São Paulo organized their first internal soccer tournament, which was well received with 50 of the Firm's professionals competing in four teams.

Meanwhile, the London office organized their second badminton tournament with 24 professionals taking part in twelve pairs.



Women's soccer team, Spain



Pão de Açúcar Marathon, Brazil

External championships

Inter-company team sports tournaments

Management Solutions once again participated in the Madrid RC Intercompany 2016 championships in indoor soccer and basketball, both in the men's and women's categories, achieving very good results. The women's team achieved a notable performance, finishing fourth in both sports.

The winners of the Firm's male internal indoor soccer tournament are currently competing in the 2016/17 iteration of the inter-company tournament, as are the women's soccer team and the men's basketball team.

Meanwhile, the Management Solutions men's soccer team in Mexico once again took part in the inter-company tournament held in the capital, finishing in fourth place. 2016 also saw the creation of the first women's soccer team in Mexico in the Santa Fe office.

Races

Management Solutions professionals participated in various races organized in different countries during 2016.

In Madrid, 44 of the Firm's professionals took part in the "Corporate Run 2016", a sporting challenge in which participants run in 2, 3 and 4 person teams (over a distance of 5 or 10 km) and which involved more than 14,000 people.

In Germany, 10 professionals took part in the Corporate Challenge race organized to build team spirit, communication, fair play and promote health among the participants from different companies.

Elsewhere, 68 professionals divided into 17 mixed teams of 4 runners each, participated for the first time in the Corporate Run held in Mexico City, a challenge that brought together more than 7,000 runners over a 5 km course.

Professionals in the São Paulo office had the opportunity to participate for the sixth successive year in the Pão de Açúcar Marathon, the biggest relay race in Latin America. Management Solutions registered 24 runners, divided into teams, who ran segments of the 42 km making up the full marathon distance.

In addition, many Management Solutions professionals took part in different charity runs held in various countries. Some examples include races in Spain, such as the Entreculturas Foundation "Run for a cause" race, the Down Madrid "On your own" race, the AECC's "On the move against cancer" race, Créate Foundation's "Entrepreneurs Race" and Bilbao "Let's Run". As well as the "Montepío" race in Portugal, "Somerville Homeless Coalition" race in United States and "Unicef" race in Colombia. More information on all of these activities is provided in the Social Action section.



Basketball team, Spain



"Run for a Cause" race, Entreculturas Foundation, Madrid

Committed to the environment

Management Solutions is aware of how its activities contribute towards sustainable growth, and is therefore committed to supporting society in the countries in which it operates.

Working in partnership with the academic community, creating employment, upholding respect for human rights and caring for the environment are a part of its corporate strategy. The Firm's growth is managed as to be compatible with the principles of sustainable development.

- 200+ COLLABORATIONS WITH UNIVERSITIES
- 7.000+ SOCIAL ACTION VOLUNTEERS
- 30+ SOCIAL ACTION CAMPAIGNS





University

University interaction is key to our social responsibility policy



Commencement ceremony for the third graduating class of the Management Solutions - ICADE Business School's Masters Degree in Business Consulting, Spain

Interaction with universities is an essential objective for Management Solutions. Management Solutions has always recognized the value in maintaining close relations with universities. Besides contributing towards employment for new graduates, Management Solutions has provided them with the opportunity to develop an excellent professional career. Management Solutions was able to do this through collaborative agreements to provide internships and work placement programs, teaching lectures and seminars, cooperating in research programs, presenting practical case studies, participating in job fairs, and supporting university foundations and associations.

In September 2012, Management Solutions reinforced its commitment to the university world with the creation of the first Master's degree in Business Consulting in Spain, organized in partnership with Universidad Pontificia Comillas and taught over two years.

2016 saw the third Master's class graduate and the fifth class matriculate. An agreement was finalized with the Instituto Tecnológico de Monterrey to start teaching the Diploma in Business Consultancy to all new recruits in the Mexico offices, with the first class beginning in September.

Work experience programs

Management Solutions contributes to knowledge transfer between the University and the Firm through agreements with the most prestigious universities to onboard interns who, depending on their merit, may become future Management Solutions professionals.

More than 200 professionals carried out an internship in the Firm in 2016. Internships allow the students selected by the Firm to acquire firsthand experience of the business world.

Data Science seminar at Universidad Carlos III in Madrid

Management Solutions partnered with Universidad Carlos III in Madrid and SAS to organize a seminar which reviewed the trends and transformation that Data Science (the efficient exploitation of information through scientific methods) is bringing about in the insurance Industry.

The seminar was attended by almost 40 people from leading companies in the insurance sector, as well as by students of the Master's Degree in Quantitative Methods for the Insurance Industry offered by Madrid's Universidad Carlos III.

Management Solutions' presentations, addressed the latest trends in Data Science, how this discipline is transforming the financial industry, and its used in the insurance business.

Seminars and expert courses

Through its partners and other members of the management team, Management Solutions has an active and pro bono presence in education within its sphere of action.

In 2016 we continued our work with universities, both in undergraduate and post-graduate studies and in business schools:

- ▶ Universidad Pontificia Comillas (ICADE)
- ▶ Universidad de Deusto
- ▶ ICADE Business School (in partnership with Spain's Risk Management Club) – Financial Risk Manager, Madrid and Barcelona
- ▶ ESADE Business School
- ▶ Centro de Estudios Garrigues
- ▶ Centro Universitario de Estudios Financieros (CUNEF)
- ▶ Universidad Complutense de Madrid
- ▶ Universidad Politécnica de Madrid
- ▶ Universidad Autónoma de Madrid
- ▶ London School of Economics
- ▶ City University London
- ▶ University College London
- ▶ Instituto Tecnológico Autónomo de México (ITAM)
- ▶ Universidad de las Américas Puebla
- ▶ Instituto de Ensino e Pesquisa de Brasil (Insper)
- ▶ Instituto Educativo BM&FBOVESPA
- ▶ Universidad de Lima
- ▶ Universidad ESAN de Lima
- ▶ Universidad Católica de Chile - Facultad de Matemáticas
- ▶ Universidad de Chile – Facultad de Economía y Negocios
- ▶ Instituto Tecnológico del Norte de Argentina
- ▶ Georgia Institute of Technology
- ▶ University of Bristol
- ▶ Birmingham Southern College
- ▶ Mackenzie
- ▶ TEC Monterrey
- ▶ LUISS



Data Science Seminar, Universidad Carlos III, Spain

University

Company presentations and job fairs

Company presentations and job fairs constitute a fundamental meeting point between University students in their senior year and employers.

Management Solutions maintains a high profile in major job fairs; our stand attracts thousands of university graduates interested in learning more about the consultancy business, our projects and the career opportunities offered by a rapidly expanding firm such as ours.

The value added by the participation of Management Solutions in job fairs derives from the presence of professionals from the Firm who once studied at the university in question, and whose experience can be of great value and usefulness to students in their final year as well as recent graduates who aspire to join our organization.

In addition to collecting résumés, Human Resources also conducts psychological tests on-site as well as working breakfasts and case studies with students to speed up the recruitment process.

Sponsorships and Collaborations with Foundations

ICADE Business Club

Management Solutions is a member of the ICADE Business Club, a non-profit association founded by a group of former University students who are now business professionals, together with the Dean and Deputy Dean of the Faculty of Economic and Business Sciences at the University of Comillas. The purpose of this association is to cooperate with ICADE in its study, teaching and research programs, to foster entrepreneurship among its students and to strengthen relations between the University and the business world.

So far, the Firm has participated in some of the initiatives that the Club has launched, such as the first two editions of the Seminar for Entrepreneurs and the Business Project Award, which recognizes the best business project submitted by students in their final years at University.

Management Solutions also supports the Club by collaborating in the educational programs and support provided to students of the University (grants, sponsorship of awards, etc.).

Sponsorship of Awards to the best Final Year Project at ICAI

In 2011, Management Solutions joined the sponsorship of awards of the best Final Year Project at ICAI (Escuela Técnica Superior de Ingeniería, Universidad Pontificia Comillas), thus continuing the work carried out by the Firm to support senior year projects in collaboration with ICAI since 2005.

Risk Management International Conference in Turin

Management Solutions participated as a speaker at the Risk Management International Conference organized by Turin University (Italy).

After submitting the paper "Model risk management: quantitative and qualitative aspects", Management Solutions was selected by the organizing committee to present the paper's methodology and conclusions, as part of the Risk Management and Corporate Strategies subject area.

This conference is a leading international forum for risk and brings together major European industry players, including several university professors and prominent names in the Italian financial industry, who were also speakers at the event.





Management Solutions taught a Business Case in Samford University and Auburn University, United States

Management Solutions taught a Business Case on "Risk at Financial Institutions – Real Estate Sector" in Samford University (Alabama), strengthening the relationship with the university.

The Firm's professionals were able to present to a select group of students in the final year of the Finance Economics, Finance and Quantitative Analysis courses, providing insights on Management Solutions' values and corporate culture as well as main lines of activity and professional development opportunities. They also shared their own professional experiences of the realities of the daily life of a consultancy professional.

Management Solution also organized a case study on "Change Management" in Auburn University (Alabama).

Organized by subject areas, Management Solutions sponsored the awards for the area of "Financial and risk management" by making a financial contribution towards the awards and becoming involved in the evaluation of the projects as a member of the jury created for each area - composed of the Head of the School, a representative of the sponsoring Firm and the professor responsible for the project, who are tasked with deciding the projects to be awarded.

In 2016, ten ICAI students received awards for the academic year 2015-16. Mr. David Coca, lead partner for Management Solutions' Energy practice, delivered the prize sponsored by the Firm at a ceremony chaired by the Rector of the Universidad Pontificia Comillas, Mr. Julio Martínez SJ, who was accompanied by the Head of School, Mr. Mariano Ventosa.



ICAI awards to the best final year projects, ICAI, Spain

University

The winning project was a "Study of the bidding strategy of a wind power producer in electricity markets", carried out by Mr. Eduardo Ramos Rodríguez.

The Bilbao School of Engineers Foundation

In 2007, Management Solutions became a partner in the Bilbao Higher Technical School of Engineers Foundation, which aims to ensure excellence in all the educational and research activities carried out by the School of Engineers. The Foundation, created in 1997, fulfills its purpose through organizing lectures, courses and seminars, issuing reports, publications and studies, promoting research, etc. always with the purpose of improving and promoting education and research in the field of engineering. It also participates directly

in the corporate world by offering prizes and awards to recognize outstanding engineering work.

Deusto University Foundation

The Firm works together with the Deusto Foundation (Deustu Fundazioa) of prestigious Deusto University in the Basque Country, Spain, to give significant donations to use on furthering the Foundation's goals. The goals include investing in research, promotion, studies and dissemination projects.

UCLU Business Society

Management Solutions joined the UCLU Business Society as a sponsor in 2013. UCLU Business Society is a university society within University College London whose main function is to support university students in their final years of study by helping them to enter the labor market through the organization of networking events, internship programs, case studies, seminars, etc.

Management Solutions gave a seminar on Financial Risks in ICADE, Spain

Management Solutions once again collaborated with Universidad Pontificia Comillas as part of the University's "Portfolio Management" course, giving a seminar on Financial Risks to final year students of the Bachelor's Degree in Business Administration and Management [ADE] (E-2).

The seminar was attended by more than 80 students and divided into two sessions: one on "Risks in Financial Institutions" and the other on "Credit and Market Risk".



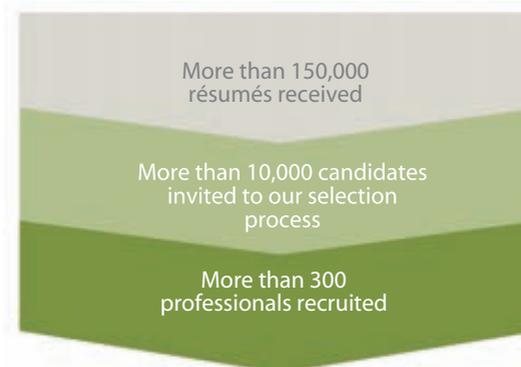
Seminar on Financial Risks at Universidad Pontificia Comillas, Spain

Management Solutions organized a case study in the National Polytechnic Institute (IPN), Mexico.

The Graduate School of Computing (ESCOM) of the IPN University in Mexico invited Management Solutions to teach a case study entitled "Stress Test from a technological point of view" to students in the last year of the Systems Engineering course.

Management Solutions also had the opportunity during 2016 to organize corporate presentations, case studies and seminars in other universities in the country such as Instituto Tecnológico de Monterrey, the Ibero-American University, the Anahuac University and the Las Americas de Puebla University.

Our 2016 recruitment process in figures



Vanesa Eirin
Management Solutions Partner

"Supporting the academic world is one of the pillars of our commitment to the environment"

Building a strong relationship with universities has always been a top priority for the Firm since our inception.

This commitment is embodied in multiple initiatives ranging from our collaboration agreements offering internships and work placement programs, to giving classes and specialized seminars, to collaborating on research programs, or even sponsoring university foundations and associations.

On top of this, we contribute to creating jobs for recent graduates, offering them the potential to develop an excellent professional career.



Sponsorship and patronage

The Firm keeps an active policy on sponsorship and patronage

Royal Theater in Madrid, Spain

Management Solutions is a Sponsor of the Royal Theater in Madrid. With the economic contribution we make towards the Royal Theatre (for the twelve consecutive year now), we help towards the dissemination, appreciation and knowledge of the lyrical arts, music and dance; to protecting, preserving and promoting the enrichment of our artistic heritage; to the defense, advancement and research of Spain's musical and operatic heritage, and to encouraging the dissemination, appreciation and understanding of these arts as well as encouraging attendance by the general public to its performances and other activities.

Mr. Alfonso Serrano-Suñer, Chairman and CEO of Management Solutions, is a member of the Board of Trustees of the Royal Theatre, which gathers the institution's main sponsors under the chairmanship of Mr. Alfredo Sáenz. The Board of Trustees

aims to promote the participation of civil society in the smooth running of this emblematic Spanish institution.

Spanish Energy Club (ENERCLUB)

Management Solutions is a member of the Spanish Energy Club (ENERCLUB), which was set up as a meeting point and to provide a forum for dialogue and for the exchange of ideas among companies and professionals in the energy industry, with the main aim of fostering new ideas and their dissemination on the rational use of energy, the conservation of the environment and sustainable development.

Thanks to the support and financial contribution of its members, this Club has managed to sustain its activity for over 20 years in four broad areas: energy know-how, training, publications and on-line dissemination.



Board of Trustees of the Royal Theater of Madrid, Spain

Spanish Risk Management Club

Management Solutions is a member of the Board of Trustees of the Spanish Risk Management Club and, with its financial contributions, helps to create and sustain the activities that form part of the Club's founding purpose.

The main objectives of this new association are to act as a meeting point and provide a forum for debate on the systems and methods used to manage, monitor, analyze and measure the risks arising from financial activity, as well as to foster the exchange of ideas, experiences and opinions on best practices in this field. Its objectives also include the maintenance of close contact with regulatory authorities and other bodies pursuing the same goals, as well as disseminating knowledge through the organization and development of FRM (Financial Risk Manager) training programs and internet courses.

As a trustee of the Club and with one of its partners sitting on the Board of Directors, Management Solutions contributes to the financing and maintenance of the various activities that are organized.

British Bankers' Association, UK

In 2014 Management Solutions became an associate member of the British Bankers' Association (BBA), a leading UK organization that represents the interest of more than 240 financial institutions operating in more than 180 countries.

The BBA promotes and supports policies and initiatives that are favorable to both their members and the wider public, their work being underpinned by three priorities: i) Ensure the correct relationship between financial institutions and customers, regardless of size; ii) Promote growth in the UK, working towards consolidating it as a global financial center; iii) Raise standards in the banking industry – both professional and ethical.

BVI Deutscher Fondsverband, Germany

Management Solutions has been a member of the German Investment Funds Association (BVI Deutscher Fondsverband) since 2015, which aims to serve as a meeting point for financial institutions, consulting firms and regulatory and supervisory authorities for the financial sector through forums, industry events and specialized publications.

Through its involvement in the BVI, Management Solutions strengthens its presence in the German market by sponsoring the association's main events, organizing discussion forums on topics of interest for the industry and establishing links with local institutions.

Association of Friends of the Royal Academy of Sciences

In 2016 Management Solutions has become one of the employers supporting the Asociación de Amigos de la Real Academia de Ciencias – ARAC (Association of Friends of the Royal Academy of Sciences of Spain) as a way of showing its commitment to support academia and research in general, and the sharing and advancement of scientific knowledge in particular as part of our social responsibility efforts.

ARAC aims mainly to support the implementation of the objectives and activities of the Real Academia de Ciencias Exactas, Físicas y Naturales (Royal Academy of Mathematics, Physics and Natural Sciences), as well as to facilitate the dissemination of science and scientific and technological advances, and to help to bring them closer to society.

Institute of Spanish Actuaries

Management Solutions is a supporting member of the Institute of Spanish Actuaries (IAE), Spain's main actuarial association and a full member of the Groupe Consultatif Actuariel Européen and the International Actuarial Association.

The Institute's main functions are to: represent its members in any issues related to its activity, organize and foster all kinds of studies and activities related to the actuarial profession, collaborate with the competent bodies and authorities when the professional activity needs to be regulated (this regulation will adhere to the most rigorous scientific and ethical principles), exercise authority over, protect and monitor the professional activities of the Institute members, resolve any professional issues that may arise among its members and establish and maintain relationships and exchanges with national or international bodies of a technical, scientific or professional nature, pursuing activities totally or partially related to the Institute's purposes.

Chambers of Commerce

Management Solutions is a supporting member of the Spanish Chamber of Commerce in China and the Brazil Chamber of Commerce in Spain, institutions whose aim is to strengthen ties between companies and organizations.

Our membership of these institutions together with our membership of the British Chamber of Commerce in Spain and the Spanish Chamber of Commerce in the UK, reinforces our ties with leading institutions and organizations in the markets in which Management Solutions operates.

Cooperation agreements

Management Solutions has signed several cooperation agreements with various foundations and organizations that promote charitable, entrepreneurship and social integration causes

Síndrome de Down Madrid Foundation

To strengthen its commitment to facilitating job integration for people with Down syndrome and intellectual disabilities, Management Solutions signed an agreement with the Síndrome de Down Madrid Foundation (Down Madrid) in 2015 as part of the "Stela Aided Employment" program, which aims to facilitate and promote the social and professional integration of people with Down syndrome and intellectual disabilities in ordinary work environments.

Down Madrid is a non-profit organization declared of public usefulness whose mission is to achieve individual autonomy and social inclusion for people with Down syndrome and other intellectual disabilities.



Créate Foundation

Management Solutions is a founding trustee of the Créate Foundation, a not-for-profit organization established in 2011 that seeks to promote change towards a more dynamic, competitive and flexible economy, based on a society where people are able to create their own projects, thereby generating wealth and wellbeing for their community and environment.

As part of its Board, Management Solutions contributes to the Créate Foundation's mission: to help develop values, attitudes and entrepreneurial skills through early education of children and youth.

National Organization for the Blind, Spain

In 2014, Management Solutions signed a cooperation agreement with Ilunion Travel, belonging to the ONCE Group of Companies and their Foundation (National Organization of Spanish Blind People), that strengthened its commitment to the employment of people with disabilities. Since then, the agency has been providing travel agency services to the Firm (including everything related to booking tickets in any means of transport, managing hotel bookings for business trips, etc.).

Ilunion Travel is qualified as a Special Employment Center (for companies whose goal is to provide people with disabilities with productive and remunerative work). Ilunion's commitment is to promote equal opportunities and full inclusion for people with disabilities through job creation and working towards universal accessibility.

Management Solutions signed an agreement under which Ilunion Travel supplies the Firm with the services usually provided by a travel agent.

Microfinance Project

The BBVA Foundation for Microfinance is a not-for-profit entity whose purpose is to promote access to credit and other financial services for society's most disadvantaged groups in order to facilitate the development of small-scale productive activities, thereby contributing to improving the living standards of families and to the sustainable development of the communities in which the Bank operates.

The Foundation has initially focused its efforts in Latin America (work is already underway in Peru and Colombia), since this region constitutes the network's corporate center, and, in addition to capital, will benefit from shared governance and management systems, a common technological base, facilities to raise finance on international markets, the general advantages derived from economies of scale and from the scope afforded by a network such as this.

Management Solutions has worked in partnership with the Foundation's Risk Area to design and implement a credit risk model for microfinance, integrate this model in the contracting process, design and implement an IT platform for risk management and improve commercial and operational efficiency.

Solidarity Program at work in collaboration with AECC

In March 2012, Management Solutions joined this initiative launched by the Asociación Española Contra el Cáncer (AECC), which consists of spreading monthly health messages targeted to business groups for the prevention and early detection of cancer.



Management Solutions awarded the 2016 Stela Prize

Management Solutions was one of the firms to receive the 2016 Stela Prize, awarded annually by the Síndrome de Down Madrid Foundation (Down Madrid) for their commitment to the employment of people with Down syndrome and intellectual disabilities.

Our Head of HR, Ms. Cristina López, collected the award on behalf of Management Solutions. The award was delivered by Ms. Coro Usandizaga, a member of the HR department at our Madrid office, who had worked in the Stela Project and was asked to give a speech on behalf of all participants in the program to thank families, the Foundation and other firms involved in the program for their integrating effort.

The event, held in the ONCE Auditorium in Madrid, was presided over by Vice Counselor for Finance and Employment in the Community of Madrid, Mr. Miguel Ángel García Martín, and Down Madrid Board Chair, Ms. Inés Álvarez, and was attended by around 500 people including representatives from the awarded companies, Down Madrid boys and girls and their families.



2016 Stela Awards Ceremony, ONCE Auditorium, Spain

Cooperation agreements

Management Solutions has continued participating with the Solidarity Program in 2016 through distribution of AECC newsletters on healthy eating, the importance of prevention and of following and instilling healthy habits among young people and raising awareness about different types of cancer.

Prodis Foundation

Management Solutions collaborates with Promentor, a training program launched by the Prodis Foundation for the inclusion of young people with disabilities in the workplace, by hiring professionals from the Foundation.

Prodis Foundation's aim is to provide people with disabilities with the necessary support to improve their lives and the lives of their families. The Foundation launched the Promentor initiative in 2005 in partnership with the Universidad Autónoma de Madrid.

This initiative seeks to help people with intellectual disabilities to design a Life Project through individualized plans based on PCP (Person-centered planning). The Foundation also provides occupational training adapted to individual differences that enables them to be placed in ordinary jobs, offers an employment service with ongoing support that fosters equal opportunities in hiring, retention and promotion in the

workplace, provides workers who exercise their right to work in ordinary jobs with continuous training throughout their lives and gives the necessary support to workers with an intellectual disability so they are able to enjoy their leisure time and fully participate in their community.

In order to meet these objectives, the program starts with a "Training for Job Inclusion" course (recognized by the Universidad Autónoma de Madrid as their own qualification), after which all graduating students enter the "Supported Employment" program, which provides them with the necessary support to join the labor market.

Educational program "Create your own project"

As a member of the Créate Foundation board, in 2016, Management Solutions encouraged its professionals to take part in the "Create your own project" program for a fourth successive year. The program was initiated in 2012 and seeks to promote entrepreneurial spirit among fifth and sixth grade primary and first and second grade secondary school students, developing skills and qualities such as initiative, creativity, opportunity seeking, self-confidence and responsibility; supported by the knowledge and skills of professionals from different areas within the Firm.

An essential task in the program is for the student teams to define and create a company, allowing them to get started in developing a business plan, creating a logo, designing the necessary processes, analyzing sources of funding, etc. The exercise concludes with the presentation and sale of products/services in a Market.

Students had the opportunity to share sessions with more than twenty Management Solutions professionals who advised them on different aspects of their projects.

Management Solutions also wanted to be present again in Drawing EU - the project's final, held at the Free Teaching Institution in Madrid, where all participants presented their work, sold their products and secured financing from "investor partners". The Firm was a member of the panel of judges for the projects and handed out the award to the most socially aware project, which it had sponsored.



"Create your own project" program, Créate Foundation, Spain



Volunteers in Santo Domingo de los Tsáchilas, Ecuador

The Firm encourages and supports initiatives for solidarity carried out by its professionals

Since the Social Action Group was first created, Management Solutions professionals have conducted numerous activities in association with various NGOs and charities.

Throughout 2016, Management Solutions has organized and sponsored community development projects promoted by the Social Action Group and has endorsed and financially supported many other solidarity activities carried out by staff.

Solidarity projects organized by Management Solutions:

Solidarity Summer

In August 2006, a group of fifteen Management Solutions professionals interested in volunteering accepted the Firm's proposal to sponsor them, by covering all travel expenses, to spend their summer vacation helping the Missionaries of

Charity in Calcutta, India. This was to be the first "Solidarity Summer" organized by Management Solutions, and was followed by a similar project in Guayaquil (Ecuador) in 2007, and a return to Calcutta from 2008 to 2011.

Management Solutions first organized the Solidarity Summer program to help support Ayuda en Acción projects in 2012. Both that year and in 2013, our Solidarity Summer program took place at the Teresa de los Andes Home in Cotoca, Santa Cruz (Bolivia), a center supported by this Spanish NGO that serves about 200 children with intellectual disabilities in varying degrees.

In 2016 the Solidarity Summer took place for a third consecutive year in Santo Domingo de los Tsáchilas, in Ecuador. 46 volunteers from offices in Brazil, Colombia, Spain, Peru, Portugal and the United Kingdom collaborated with "Street Children".

The project was launched by the Salesian community together with Ayuda en Acción with the aim of collaborating towards the education of children and teenagers from underprivileged families in order to refrain them from working in the streets at an early age and thus prevent social exclusion. This project, which currently helps more than 300 families in Santo Domingo (a town with almost half a million inhabitants), has several resource centers from which to school and tutor children, and in which Management Solutions professionals performed their volunteering activities.

During their stay in Ecuador, the volunteers taught the children (aged between 6 and 14), provided extra support on school subjects and helped them with their homework. They also had time to become involved in more entertaining aspects such as organizing games, sports tournaments and other leisure activities. The volunteers, accompanied by Ayuda en Acción educators, also visited the children's families in their

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own houses, which gave them the chance to gain a better picture of the country's reality and to receive the parents' gratitude for their committed work with their children.

This new success, coupled with the growing interest of our professionals in activities of this nature and the full support of the Firm, which takes care of all volunteering costs, ensures the continuity of our Solidarity Summer into 2017 and beyond.

Solidarity Film Preview

In 2005 Management Solutions launched its Solidarity Film Preview initiative, a family activity to collect food for those in need by taking advantage of the proximity of the Christmas season and using a movie release as a way to encourage participation. In 2016, this event was again held simultaneously in Madrid and Bilbao.

The Madrid event brought together more than 2,500 people, including our professionals, former members of our Firm and some of our main clients and collaborators together with their families. Thanks to the generosity of all attendees, we were able to collect almost 6,000 kg of non-perishable food, baby food and diapers, which were delivered that very morning to the Madrid headquarters of the Missionaries of Charity to be distributed to people in need who visit their charitable dining halls every day.

In Bilbao, the sixth edition of Management Solutions' Solidarity Film Preview event gathered 800 people who together were able to collect around 2,000 kg of food that was given to the Bizkaia Food Bank to be later donated to people without resources.

In both cities, the children were the real stars of the day and those who most enjoyed the screened movie and videos, as well as the shows and workshops offered by the actors, both on arrival and during the post-movie cocktail. Social Action volunteers organized these activities, arranging the logistics for the day and delivering all that was collected to these charitable institutions.

The success of this activity has caused it to also be organized in other Management Solutions offices. Mexico held its first charity film screening in 2016, bringing together around 200 people made up of the Firm's professionals, clients and their family members. The attendees' generosity helped collect 1,000 kg of non-perishable food, which was delivered on the



Solidarity Film Screening in Madrid, Spain

same day to the care home of the Francisco de Asís Foundation I.A.P., an organization aimed at rehabilitating and integrating young people with addiction problems.

Solidarity Concert, Spain

In 2007, at the proposal of a member of staff, Management Solutions decided to promote the organization of a fundraising concert. This was the beginning of our Solidarity Concert, which has become one of the most welcomed events organized by the Social Action Group that takes place every year in Madrid to raise funds for the projects in which our volunteers participate.

Over the past seven editions our Solidarity Concert has seen the participation of performers of the stature of Isabel Rey, Pilar Jurado, José Manuel Zapata or Ara Malikian which

combined lyrical recitals with more family-oriented performances.

Management Solutions' Tenth Solidarity Concert was held for the first time in the Teatros del Canal in Madrid and was attended by some 700 people. The event was organized with the aim of raising funds to collaborate with the Santo Domingo de los Tsáchilas' "Street Children" project in Chillogallo (Ecuador), the initiative chosen for the Firm's Solidarity Summer volunteering project.

Management Solutions' proposal for this year's concert was the musical show "From Bach to Radiohead", a varied journey through time and genres for the whole family devised by José Manuel Zapata with the aim of bringing different types of music to the younger audience, and to explore the similarities

and synergies between performers as diverse as Bach, Radiohead, Paco de Lucia, Björk, Rossini, etc.

Zapata, one of the most important tenors of his generation, was accompanied during the show by Juan Francisco Padilla (Spanish guitar), Michael Thomas (violin) and Ruben Rubio (viola di gamba).

Thanks to the participation and solidarity of the audience, which included some of our professionals as well as clients, family and friends, it was possible to collect more than 6,000 euros.



Solidarity Film Screening in Bilbao, Spain



Solidarity Concert, Spain

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Christmas Solidarity

Over 500 Management Solutions professionals brought hope to some of those most in need in society through a Solidarity Christmas campaign, organized for the ninth consecutive year and consisting of several initiatives in Spain, United Kingdom, Germany, Portugal, Mexico, Brazil, Colombia, Peru, Chile and Argentina.

In Spain, the “*Reyes Magos de Verdad*” campaign was organized to raise gifts for children in shelters in several Spanish cities who would otherwise not have received any gifts on Three Kings Day. The campaign was once again a great success and, thanks to the participation of 200 Management Solutions professionals from Madrid, Barcelona and Bilbao, it became possible for disadvantaged children in these centers to receive the gifts they

had previously asked for in a letter to “their” individual Magi. In addition, some Management Solutions professionals participated in the “*Posada Navideña*” organized by Soñar Despierto, the organization that received the gifts in Madrid. This was a party during which volunteers had the opportunity to organize many activities and surprises for the children, in addition to handing the gifts to them.

In the United Kingdom, the Firm’s professionals took part in the “Christmas Appeal - More than food”, an initiative organized by the Trussell Trust which collects non-perishable food and warm clothing for the underprivileged. The Trussell Trust is an organization which manages a network of 400 food banks, providing foods and support to underprivileged people across the United Kingdom.

Germany collaborated once again with Cáritas Frankfurt contributing to the opening of a center for refugee mothers and their children. Management Solutions professionals took responsibility for preparing the center’s games room constructing a “games boat” donated by the Firm, as well as opening a small library for young children which was possible thanks to book donations by volunteers from the Firm.

Management Solutions professionals in Portugal helped with a Cáritas Lisboa nursery affected by flooding. Volunteers spent the morning building shelving, seats and tables, meaning that by the end of the day the class was ready for use by the 20 children aged 0 to 3 years who attend the nursery. The volunteers also contributed games and storybooks to replace what was lost during the floods.

In Mexico, the Social Action group organized a Christmas “Posada” at the “Casa Hogar del Orfanatorio la Paz”, an institution that aims to host, protect and educate girls and young women (providing them with housing, balanced nutrition, primary education and adequate medical care). Management Solutions volunteers shared a fun afternoon with the 25 girls cared for by the Foundation, during which each girl also received a gift.

Professionals from Management Solutions Brazil collaborated with Casa Semeia, a São Paulo organization that houses 0 to 16 year-old children without resources, organizing a volunteering afternoon during which, in addition to delivering the gifts, clothing and staple goods that had previously been collected, they shared a day of games and activities with the children.



Christmas Solidarity, Colombia

Management Solutions professionals in Colombia spent a special morning with 20 children cared for by the children's home Foundation Funstall, a foundation which welcomes children with different illnesses and disabilities, providing them with food, nursing care and unassisted transfer to their treatments. On this occasion the activity involved taking the 20 children to the cinema and delivering some toiletries requested by the Foundation.

In Peru, the Social Action group organized a "Chocolatada Navideña" for 120 children from a low-income sector in the Carabayllo zone cared for by the NGO Extreme Revolution, a non-profit organization which provides help and support to children that are economically disadvantaged or in risk of social exclusion. Thanks to contributions from professionals and the Firm itself, it was possible to organize this children's festivity

with plenty of games and surprises as well as gifts that were handed by the volunteers to the children.

In Chile, the "Viejito Pascuero" campaign was once again organized in collaboration with the Tai Tai kindergarten (a center which cares for around 50 children aged 3 to 5 years in the Estación Central district) and with the objective of raising a gift for each child in the center. Thanks to the participation of all professionals in the Chile office, all children received a present directly from Father Christmas during a celebration organized by volunteers in the center.

In Argentina, professionals collaborated with the Esteban L. Maradona Home, which houses family of hospital patients while they receive treatment. On this occasion, volunteers contributed story books and painting material to the Home.

Blood donation campaigns

In 2007 Management Solutions' Social Action Group launched the Firm's first blood donation campaign in collaboration with the Spanish Red Cross. This initiative has since taken place every year and has spread to other offices in the Firm. In 2016, donations were organized in our offices in Spain, the United States and Brazil with more than 100 volunteers participating.

Donation of computers and cell phones

Management Solutions regularly collaborates with different organizations by donating used computers and cell phones once they have been replaced. This helps to both reduce the Firm's environmental footprint as well as allowing us to meet the need that society's underprivileged groups have for these



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tools. In 2016 IT equipment was donated to the Altius Francisco de Vitoria Foundation.

Charity soccer tournament, Mexico

Professionals from the Management Solutions' Mexico City offices organized an internal charity soccer tournament for a collection of essential goods for Francisco de Asís I.A.P Foundation's shelter homes in the city. The Foundation provides social services to vulnerable and excluded people and supports social inclusion.

Collection points were organized in the two Management Solutions offices in Mexico for all those who wanted to participate in the initiative but were unable to attend the

tournament, managing to collect a total of 500 kg of food, clothing, school materials and personal care items.

Charity trekking challenge, Chile

A group of professionals from the Firm and their families took part in a Solidarity Trekking expedition through Parque Cordillera, organized with the aim of collecting food to collaborate with disadvantaged groups.

Thanks to the generosity of the participants, it was possible to collect around 100 kg of non-perishable food that were later given to Hogar de Cristo, a public charity Chilean organization that helps people in a situation of extreme poverty.

Plastic tops collection for solidarity

At the beginning of 2013, following a suggestion by one of the Firm's professionals, Management Solutions launched an initiative across all its offices to collect plastic tops for charity in order to collaborate with the "Tops for a new life" program. This program, run by the Seur Foundation, seeks to help children with health problems who need medical or orthopedic treatment by collecting plastic tops and donating the funds raised from selling these tops to third parties.

Given the positive response to this initiative by the Firm's professionals, we continued to collect tops during 2016, reaching a total of 75 kilos.



Charity trekking challenge, Chile



Charity soccer tournament, Mexico



"Bed Building" project - Boston Cares, United States



Carlos Francisco
Management Solutions Partner

"Our professionals drive the Firm's social commitment"

Management Solutions is strongly committed to its environment. The Firm supports and feels very proud of its professionals' strong commitment to society.

The Firm is actively involved in the communities where it undertakes its activity and this results in a multitude of specific solidarity activities, which are conducted through the Social Action Group in collaboration with different NGOs and charitable associations.

Solidarity initiatives are carried out by professionals in all of the Firm's offices, demonstrating their selfless dedication and service vocation to the less fortunate.

Solidarity projects carried out by Management Solutions professionals and supported by the Firm in cooperation with NGOs and charities

Boston Cares Corporate Volunteer Day, United States

Management Solutions professionals participated for the fourth year running in the "Make a Difference Day" annual volunteer day organized by Boston Cares. On this occasion, the day was spent supporting the "Bed Building" project run by this NGO to build beds for toddlers in need. Boston Cares has developed a simple bed design that can be easily built by volunteers and easily delivered through agency partners to families with children transitioning out of homelessness and foster care.

Boston Cares is a not-for-profit organization that mobilizes thousands of volunteers annually in support of Greater Boston schools and non-profit agencies whose needs can be met by volunteer teams. The purpose of this initiative was to join forces in order to make a significant impact on the Boston community in just one day.

Pro-Am Tournament organized by the Deporte y Desafío Foundation, Spain

Management Solutions collaborates with the Deporte y Desafío Foundation by sponsoring a Pro-Am charity golf tournament organized to raise funds aimed at the social integration of people with physical, intellectual or sensory disabilities through sport.

The Tournament, in which Management Solutions participated for the seventh year, was held at the Santander golf course in Boadilla del Monte, and included the participation of 8 teams (all integrated by a professional golfer on the European Tour and four *amateur* players), with the Management Solutions team achieving third place.

Thanks to the support from sponsors and participating companies, it was possible to raise over 9,000 euros that went towards funding the sports activities organized by the Deporte y Desafío Foundation.

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Christmas with Ayuda en Acción

Management Solutions' Christmas cards were made in collaboration with an NGO for the tenth consecutive year. Ayuda en Acción was the NGO chosen this year and all proceeds from the purchases of Christmas cards went to collaborating on a project that the organization has set up in Ecuador to improve the living conditions of more than 700 families following the devastating earthquakes in April 2016. The aim is to construct or rebuild affected housing, improve health systems and water supplies and help improve the livelihoods of the families affected.

The Firm's traditional contest was organized to decide the design of the card, giving more than 75 young artists (children, nieces and nephews and siblings of Management Solutions professionals) the opportunity to show their artistic skills. The winning drawing was created by Lucía and Marta Bielsa, 8 and 5 years old.

Zaki Dance Festival, Brazil

Professionals from Management Solutions Brazil collaborated for the first time with Viva Bem Zaki Narchi, an organization that helps vulnerable children through sports in the Cingapura community.

The project consisted of a dance show involving more than 60 girls aged between 1 and 18. In addition to helping out with organizing the event and accompanying the girls during the show, our Social Action volunteers gave each participating girl a pair of dancing slippers on behalf of the Firm.

Management Solutions collaborates with Altius Francisco de Vitoria Foundation, Spain

A group of Management Solutions professionals had the opportunity to provide practical training workshops for people without resources in high vulnerability situations. The main purpose of these training sessions, which were divided into three areas - set up your online business, business creation and Excel, was to facilitate insertion in the workplace.

Altius Francisco de Vitoria Foundation is part of Madrid's Universidad Francisco de Vitoria and aims to promote the integral development of people in need through providing high quality and proven programs focused on training people and fostering a solidarity culture so they can transform their lives.

Volunteering with Down Madrid, Spain

In January 2010, Management Solutions' Social Action Group launched an ongoing collaboration to support the Down's Syndrome Foundation of Madrid, involving the organization of indoor soccer matches between the Firm's professionals and the children under the Foundation's care.

Also in collaboration with the Foundation, our Social Action Group has organized several single day volunteering events in which Management Solutions professionals share a fun day of leisure activities (for example, at multi-adventure parks or at the amusement park in Madrid) with a group of children with Down's syndrome.



Christmas with Ayuda en Acción, Spain



Zaki Dance Festival, Brazil

In 2016, our Social Action Group again organized a volunteer day in collaboration with Down Madrid where more than 40 Management Solutions volunteers took a group of youths from Down Madrid to Faunia, a nature-themed park.

During the day, both volunteers and the Down Madrid boys and girls enjoyed a sea lion show and a birds of prey and exotic bird show, as well as 3D Robinson Crusoe adventure animation film. After lunch, the group enjoyed a few hours of free time to explore the rest of the park and discover other animals before heading back to Madrid.

Give&Gain Day, United Kingdom

Management Solutions participated for the third consecutive year in "Give&Gain Day", a corporate volunteer day organized

by Business in the Community, an NGO that seeks to establish new ways of relating between business and the wider community in order to achieve a more just and sustainable society. The event was held simultaneously in different cities and towns across the UK.

Management Solutions volunteers collaborated on this occasion with the renovation of a foster home ran by the St. Christopher Association, an organization that provides support and a home to disadvantaged children and youth in the UK.

Cancer Research UK London Winter Run, United Kingdom

A group of Management Solutions professionals met to complete the 10 km run past some of London's most iconic landmarks organized by Cancer Research UK.

The race was part of the "Winter Run Series", a series of races held in different UK cities such as Liverpool and Manchester, all with the aim of raising funds to help Cancer Research UK in its fight against the disease.

V "Run for a Cause" race, Spain

Seventy Management Solutions professionals participated for the fourth consecutive year in the Madrid edition of "Run for a cause", a race organized by the Entreculturas Foundation in several Spanish cities. The Management Solutions representation had an outstanding performance, achieving second place in the 10 km race.

This run, organized by the Entreculturas Foundation (a Jesuit NGO that believes in education as a key tool for development,



Volunteers for Down Madrid, Spain



Volunteers during Give&Gain Day, UK

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transformation and intercultural dialogue), sought to raise funds to facilitate access to education for children in the Guéra region (in Chad).

Thanks to the participation of more than 12,000 runners in the 10 cities in which the race was organized and to several donations, over 150,000 euros have been raised to fit out 26 infant schools, attended by 1,500 children between 4 and 5 years, in addition to improving training for the school's teaching personnel.

Bilbao Let's Run, Spain

A group of Management Solutions professionals took part in the non-competitive charity race "Bilbao Let's Run", jointly

organized by three NGOs from the Biscay province (Aspanovas – Biscay Association of Parents of Children with Cancer, Adembi – Biscay Multiple Sclerosis Association, and Asparbi – Biscay Parkinson's Association), whose mission is to improve the quality of life of the people and their families suffering from these illnesses. The objective of the run was to raise funds for their charity projects.

Third "On the move against cancer" Race, Spain

More than 70 Management Solutions professionals participated in the Third "On the move against cancer" race organized by Asociación Española contra el Cáncer (AECC) to raise funds for research into this disease.

The race, which took place in the center of Madrid, was held over two distances, 4 and 10 kilometers, with 10,000 runners participating. It was a brilliant run for Management Solutions' many participating runners, two of whom managed to finish second and sixth in the 10 km race.

VI Down Race Madrid, Spain

More than 100 Management Solutions professionals participated in the race organized by Down Madrid and which had Management Solutions as a sponsor.

Under the motto "On your own" and with 3,500 runners participating, the race aimed to raise funds for sport and leisure projects that the Down Madrid Foundation organizes for people with Down syndrome and other intellectual disabilities.



5th "Run for a Cause" race, Spain



6th "Down Madrid" race, Spain

Management Solutions' representation had an outstanding performance, achieving third place in the 10 km race.

VI Entrepreneurs Run, Spain

More than 150 people represented Management Solutions in the sixth annual "Entrepreneurs Run" organized by the Créate Foundation, of which Management Solutions is a founding sponsor. The race saw the participation of over 5,000 people who ran under the motto "Run, Make Way, Venture" with the aim of promoting values, attitudes and skills through innovation in education, since all profits were destined entirely to educational centers in the Madrid region.

Management Solutions' representation (made up of professionals from the Firm and their families) turned out to be one of the most outstanding in terms of both number of runners and results, competing at a good level in all two race

distances (5 km and 10 km), with a professional from the Firm achieving third place in the men's senior 5 km race.

Somerville Homeless Coalition 5K Road Race, USA

Management Solutions participated for the third consecutive year in the annual "Somerville Homeless Coalition 5K Road Race", organized through the streets of Somerville (Massachusetts) with the aim of raising funds to collaborate with homeless people in that town.

Somerville Homeless Coalition is an NGO from Somerville (Massachusetts) which has the mission to provide homeless individuals and families with individualized support, helping them to obtain and maintain affordable homes.

IV Montepio Race, Portugal

Under the motto "Corremos uns pelos outros", a group of Management Solutions professionals participated in the fourth edition of the Montepio solidarity race.

Thanks to the participation of 10,000 people who ran through the streets of Lisbon (on either the 5 km or 10 km option) it was possible to raise more than 60,000 euros that will go entirely towards the ABEM program (Dignitude Association) whose mission is to ensure that all Portuguese citizens have access to medicines regardless of their economic situation.

Unicef 10K Race, Colombia

A group of Management Solutions professionals participated in the "Unicef 10K Race 2016", an initiative organized by Unicef (the United Nations Fund for Children) to support the rights of Colombian children.

The initiative brought together nearly 6,000 participants who ran through the streets of Bogota to contribute towards the attainment of the rights of children and adolescents in the Guajira region, and to encourage their social inclusion.



Unicef 10K Race 2016, Colombia

Environment

We are particularly sensitive to any environmental impact that may be caused by our activity



While our activity has very limited environmental impact (environmental aspects of office-based activities), this is a matter of special concern for our Firm. The environmental management model adopted by Management Solutions is based not only on ensuring continuous compliance with all relevant regulatory requirements regarding the environment, but on exceeding requirements wherever possible.

Under this approach, the Firm seeks to implement best environmental practices in its internal operations to help slow down consumption and minimize waste. Also, Management Solutions is committed to raising awareness and involving its employees in environmental matters, according to their level of responsibility, and to providing the necessary knowledge to enable implementation of good environmental practices.

In 2013, Management Solutions prepared an Environmental Good Practice Guide, providing all its professionals with a basic understanding of environmental management, as well as establishing a set of practical, useful and educational recommendations aimed at changing or improving common behavior within the office and decreasing the environmental impact caused by office activity in general and by each individual worker in particular.

Thus, the actions prescribed in the Environmental Good Practices Guide have as their primary goal to:

- ▶ Improve energy efficiency and optimize the use of natural resources: water, energy, raw materials, etc.
- ▶ Preserve natural resources.

- ▶ Reduce production of pollutants: gas emissions into the atmosphere, soil and groundwater contamination, etc.
- ▶ Minimize and manage waste properly, cutting back waste generation and encouraging re-use and recycling.
- ▶ Raise awareness to educate and inform others of the need to protect our environment.
- ▶ Contribute to a sustainable development model, where the actual use of resources does not compromise the social and environmental development of future generations.

The measures explained below are supplemented by the Firm's participation in the Spanish Energy Club (ENERCLUB), an important platform for dialogue and a meeting point for companies and professionals in the energy industry with the goal of promoting sustainable development and environmental preservation.

Reduced resource consumption

Paper

Because of our activity, paper consumption is without any doubt one of the Firm's most significant environmental impacts. However, increasing awareness on the part of all professionals makes it possible to achieve reduced consumption levels.

In 2016, the use of paper sheets per person decreased by 2%. This reduction was achieved through initiatives such as setting defaults on printers to double-sided mode, and through growing awareness among professionals of the need to use information in electronic form (such as training courses, available online through the Intranet).

Energy

The sound management of electricity in our daily activities is a key factor in reducing the Firm's energy impact. Therefore, Management Solutions not only relies on the awareness of all professionals, but pays particular attention to the location of its offices.

For this reason, all buildings housing Management Solutions offices integrate various energy saving systems, such as thermostats, advanced insulation systems, movement sensors, energy saving lights, automatic opening and closing faucets, etc.

To these measures we must add the energy saving systems of printers and computers. Our headquarters in Madrid were issued the Aenor Environmental Management certificate, which is a testament to our commitment to the environment and good environmental practices. In 2017 we intend to continue to reduce our use of these resources by encouraging responsible use by our professionals in addition to other measures.

Waste management

Fluorescent lights and toner cartridges

Fluorescent lights common to all offices and toner cartridges for printers, once depleted, are deposited in special purpose containers in the buildings housing our offices, or are returned to the supplier for proper reuse or recycling. In 2016, toner consumption was reduced by 6%.

Paper and packaging

Paper and packaging subject to be recycled are separated appropriately so they can be recycled by the building management companies. In addition, our Madrid, Bilbao and Barcelona offices have special containers for placing confidential documents that must be destroyed. An external company is responsible for collecting these containers on a weekly basis as well as destroying and recycling these documents. During 2016, the amount of recycled paper increased by 12% over the previous year (representing more than ten tons of recycled paper).

Computers and cell phones

As explained in the section on Social Action, the Firm's global policy on computer equipment and mobile phones involves donating devices that are still in good working order to various NGOs. Equipment in a poorer condition is sold for parts to be reused, or if the model is no longer current, it is sent to a company for recycling.

If you would like to express an opinion or doubt or make a suggestion about the information in this document, please contact:

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