

DIRECTOR REMUNERATION POLICY

"GRUPO ECOENER, S.A."



La Coruña, 9 April 2021

DIRECTOR REMUNERATION POLICY FOR GRUPO ECOENER, S.A. FOR THE FINANCIAL YEARS 2021-2023

1. Preamble

This document contains the remuneration policy applicable to the Board of Directors of Grupo Ecoener, S.A. (“**Ecoener**” or the “**Company**” and, together with the companies that comprise the group, the “**Group**”), which was approved by the sole shareholder on 9 April 2021 (the “**Remuneration Policy**”).

2. Remuneration policy regulatory framework

The Remuneration Policy has been prepared in compliance with the legal requirements established by Royal Legislative Decree 1/2010 of 2 July, approving the revised text of the Capital Companies Act (the “**Capital Companies Act**” or the “**LSC**”).

Specifically, the Remuneration Policy has been approved by the Company's sole shareholder, as a separate item on the agenda dated 9 April 2021 in accordance with the provisions of article 529 - nineteen, section one of the LSC.

In accordance with article 529 - nineteen, section one of the LSC, the Ecoener Director Remuneration Policy will be adapted to the remuneration system as established in the Company's Articles of Association. For these purposes, this policy falls under Article 42 of Ecoener's Articles of Association.

3. Validity period of the Remuneration Policy

Without prejudice to the provisions of the Capital Companies Act, the Remuneration Policy will come into force on the date on which the Company's shares are admitted to official trading on the Spanish stock markets.

The Remuneration Policy will remain in force for the three (3) financial years following its approval, that is during financial years 2021, 2022 and 2023, with the exception of modifications, adaptations, updates or substitutions that may be agreed upon occasion and which will be submitted for approval at the Ecoener General Shareholders Meeting in accordance with article 529 - nineteen, section one of the LSC.

This Remuneration Policy will be freely available on the Company's website for the entire term of its validity, i.e., during financial years 2021, 2022 and 2023.

4. Remuneration principles

The Remuneration Policy is intended to establish remuneration for Ecoener's directors which appropriately reflects the time dedicated and responsibility assumed and is in line with the remuneration offered by the company's peers in the domestic and international markets, taking into consideration the long-term interests of the company's shareholders as a whole.

Hence, the Remuneration Policy must be suitable for the prevalent circumstances at any given time, with special attention paid to any changes in applicable regulations, best practices, recommendations and trends – both domestic and international – pertaining to the remuneration of directors of publicly listed companies, as well as the prevailing market conditions.

Therefore, the basic principles on which the Remuneration Policy for Directors has been established are as follows:

- a) To adequately compensate directors for the time dedicated and responsibility they assume, in accordance with market standards for comparable companies in terms of market capitalisation, size, ownership structure and international presence.
- b) To ensure that remuneration directly contributes to the fulfilment of Ecoener's strategic objectives.
- c) To promote Ecoener's long-term profitability and sustainability and to avoid excessive risk-taking and the rewarding of unfavourable results.
- d) To ensure the best professionals are attracted, motivated and retained.

To this end, **director remuneration** must be sufficient to compensate the director's time, level of responsibility and qualifications, without compromising their independence.

Furthermore, the remuneration policy for **executive directors** is based on the following principles:

- a) To compensate executive directors with a comprehensive monetary-based package that recognises and respects the diversity of their needs and expectations as relates to the professional environment.
- b) To systematically evaluate, based on standardised criteria, executive directors' professional development, performance and the degree to which the requisite competencies are demonstrated at any given time.
- c) To recognise the professional's ability to create value through his or her impact on the Group's results, in addition to his or her skills and personal profile.
- d) To foster a culture of commitment to the Group's objectives, where both personal and team contributions are fundamental.

5. Role of the Appointments and Remuneration Committee and measures to prevent conflicts of interest

The Appointments and Remuneration Committee, whose functions are defined in Article 47 of the Articles of Association and Article 17 of the Regulations of the Board of Directors, plays a fundamental role in the application of this Remuneration Policy, reviewing and analysing how the principles set out above are applied so as to enable the Company to attract and retain the most qualified, outstanding professionals. To this end, the Appointments and Remuneration Committee will meet periodically, duly convened by its chairperson.

Regarding measures to prevent conflicts of interest, Article 33 of the Regulations of the Board of Directors establishes that directors must avoid engaging in situations where there is a conflict between the Company's interests and their personal interests. Should they find themselves in a conflict of interest, they must carry out the measures and follow the actions established by law and those detailed in the Company's regulations, including the obligation to notify the Board of Directors and the Audit Committee of said conflict, and the obligation to abstain from deliberations to determine their remuneration.

6. The Remuneration Policy's contribution to the Company's objectives

The measures to ensure that this Remuneration Policy addresses the Company's long-term performance and sustainability objectives are as follows:

- a) Total remuneration for executive directors may consist of both fixed remuneration and short- and long-term variable remuneration (i.e., the long-term incentive plan), linked to the Company's strategic, operational and growth objectives. Short-term variable remuneration is based on the achievement of annual objectives and on the executive directors' personal performance appraisal, whilst long-term variable remuneration (i.e., the long-term incentive plan) is based on the Company's multi-year objectives. This ensures a balance between competitive remuneration (fixed remuneration and annual variable remuneration) and the achievement of the Company's objectives as well as promoting sustainable growth (multi-year variable remuneration), whilst avoiding excessive risk-taking.
- b) Executive director participation in the long-term incentive plan established by the Company, together with the participation of selected key executives and employees, contributes to the achievement of financial targets and alignment of interests.
- c) In each case, the Appointments and Remuneration Committee analyses to what degree the short- and long-term objectives established for the executive directors have been achieved, reporting the results to the Board of Directors.
- d) In addition, as part of director remuneration, it is specifically envisaged that the contribution to the development of projects and activities for the benefit of the Company will be compensated. This is how directors are incentivised and encouraged to participate in achieving the Company's strategic objectives.

7. Remuneration policy for directors

In accordance with article 42 of the Company's Articles of Association, the role of Company directors is a paid role. The Remuneration Policy aims to compensate members of the Board of Directors – by virtue of their position as directors, meaning for performing their duties and undertaking unified decision-making on the Board of Directors and in the committees to which they belong – appropriately and sufficiently for the time dedicated, responsibilities assumed and their qualifications, without compromising their independence of judgement.

A fixed annual allowance of €50,000 per director is established as fixed remuneration for all directors in their capacity as such, including executive directors. This maximum amount will remain in force until the General Shareholders' Meeting resolves to modify it. Regardless, the Board of Directors will be able to reduce this amount in the financial years it deems appropriate, either due to the Company's financial state at any given time or due to market benchmarks for comparable companies, or for any other reason the Board of Directors may deem appropriate.

In addition, every member of the Board of Directors (regardless of status and therefore including executive directors) will receive, as a per diem for attending meetings of the Board of Directors, the amount of €1,500 for each meeting they attend, up to a maximum of eight (8) meetings per year.

In addition to the above, due to their extraordinary dedication, directors who perform special functions (the coordinating director, the chairpersons and members of the Audit Committee, the Appointments and Remuneration Committee and the Sustainability Committee) are entitled to additional fixed remuneration, as follows:

- a) The coordinating director will receive an additional €10,000 in fixed remuneration per year for the extraordinary dedication to the work of the Board.
- b) Directors who chair the Audit Committee, the Appointments and Remuneration Committee

and the Sustainability Committee will receive an additional fixed amount of €20,000 per year.

- c) Members of the Audit Committee, the Appointments and Remuneration Committee and the Sustainability Committee (including their respective chairpersons in their capacity as members of these committees) will receive an additional fixed amount of €5,000/year.
- d) Members of the Audit Committee, the Appointments and Remuneration Committee and the Sustainability Committee will receive as a per diem for attending the meetings of their respective committees an additional €1,000 for each meeting they attend with a maximum of four (4) meetings per year.

Likewise, members of the Board of Directors (with the exception, in this case only, of executive directors) may receive other remuneration for undertaking projects or activities entrusted to them by the Board of Directors for the benefit of the Company. The total amount allocated for this purpose, for all members of the Board (excluding executive directors) is €500,000 per year.

In accordance with the provisions of article 42 of the Articles of Association, it is established that the maximum amount of annual remuneration to be paid to all the directors for discharging their duties as directors (excluding the amounts received by executive directors detailed in point 8 below) is €1,256,000.

The Board of Directors is responsible for setting the individual remuneration of each director in their capacity as such in accordance with the Articles of Association and the provisions of this Remuneration Policy.

Without prejudice to the foregoing, the Board of Directors may at any time modify and adapt the annual remuneration in accordance with circumstances that may arise, taking into account the criteria included in this section, and always in accordance with the principles indicated in this Remuneration Policy.

8. Executive director remuneration policy

When determining and designing the remuneration policy for executive directors, the salary and working conditions of the Company's employees as a whole were taken into account; specifically, the conditions and primary elements of the remuneration system applicable to the employees of the different groups, as well as to the Company's executives.

Taking into account the foregoing, and without prejudice to the remuneration they may receive as members of the Board of Directors, as detailed in section 7 above, the remuneration policy for executive directors for performing their full-time or primary executive duties, including the executive chair and vice-chair, shall be as follows.

The line items for compensation determined by the Board of Directors for each executive director must conform to the framework provided in this Remuneration Policy and will be set out in a contract to be signed between the Company and each executive director.

8.1. Fixed remuneration

This is a fixed allowance contractually determined for each executive director for undertaking his or her executive duties.

This remuneration will be a maximum of €750,000/year per executive director.

The specific remuneration to be paid to each executive director will be determined by the Board

of Directors and will be set out in a contract signed between the Company and the executive director.

8.2. Short-term variable remuneration

Executive director variable remuneration must represent a significant part of total remuneration and will be linked to the achievement of pre-defined, specific and quantifiable targets, directly aligned with the creation of value for shareholders over different time horizons, and also includes the measurement of individual and personal objectives.

The annual variable remuneration for each executive director appraises, on an annual basis, the contribution made to achieving pre-defined, specific and quantifiable targets, related to economic and financial, efficiency and growth variables, as well as quality and safety issues, and is directly linked to the achievement of the targets associated with creating value for the Company.

The objectives established for each executive director will take into account the key performance indicators and weightings established by the Board of Directors at the beginning of each year, as proposed by the Appointments and Remuneration Committee based on the Company and group budget, as well as profit targets and other individual and corporate considerations, as approved by the Board of Directors. In doing so, the attainment of the annual objectives (financial, non-financial and personal) is incentivised in line with the Company's strategy.

Annual variable remuneration for each executive director may consist of an amount up to 50% of the total remuneration of the executive director in question.

In each case, the Appointments and Remuneration Committee will assess and judge the performance of executive directors in relation to the established objectives, to determine the level of fulfilment, thereafter informing the Board of Directors. Payment of the corresponding amount of short-term variable remuneration will therefore be subject to the Board of Directors' adequate validation of the previously defined conditions for pay-out.

8.3. Long-term variable compensation (long-term incentive plan)

For the purposes of encouraging the achievement of financial targets and the alignment of interests of the Company's executive directors, executives and key employees, executive directors are permitted to participate as beneficiaries in the long-term incentive plans as established by the Company at any given moment.

The Board of Directors has established a three-year remuneration plan for 2021, 2022 and 2023, based on the creation of value for the Company. Said plan factors in 2023 EBIDTA, which must be greater than €80,000,000 in the Company's consolidated annual accounts on 31 December 2023. Beneficiaries of the three-year remuneration plan will be entitled to receive, amongst all beneficiaries, an amount equal to 0.5% of the EBITDA corresponding to the year 2023, provided that it exceeds the aforementioned figure. This total amount will be disbursed between the beneficiaries in proportion to the total remuneration they have received from the Company in any capacity, with the corresponding percentage of the total duly reflected in the incentive plan participation letter. The amount to be received will be provided as cash. It is not expected that Company shares will be provided.

When the long-term variable remuneration consists of the delivery of shares in the Company, in whole or in part, the executive directors may not, except in exceptional cases, transfer the ownership of the shares delivered or exercise the instruments in question for a period of at least three (3) years. An exception is made in the case where the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market

value equivalent to an amount of at least two (2) times his/her annual fixed remuneration through the ownership of shares, options or other financial instruments.

8.4. Malus and Clawback Clauses

The Board of Directors, in accordance with any proposal made by the Appointments and Remuneration Committee, has the power to cancel, reduce or defer the payment of variable remuneration (malus) or to demand the return of remuneration already paid (clawback) in special circumstances. These special circumstances include fraud and serious legal violations, as well as in the event of a material restatement of the financial statements upon which the Board of Directors based the performance evaluation, provided that said financial restatement is confirmed by external auditors and is not due to a change in accounting regulations.

8.5. One-off remuneration

In the event of special circumstances, the Board of Directors may establish remuneration linked to specific and previously established objectives that encourage the achievement of objectives linked to such special operations. Likewise, and as an exception, the Board of Directors may establish remuneration both in consideration of exceptional achievements that have contributed decisively to the Company's results and in consideration of the financial loss suffered by individuals who assume the position of executive director of the Company, abandoning the executive or management positions they previously held in other companies outside the Group prior to and up to the time of assuming the position of executive director of the Company.

Likewise, executive directors may, in addition to the amounts and items provided for in this Remuneration Policy, receive other amounts from other Group companies or their shareholders, provided that this does not entail a conflict of interest for the Company or for the performance of their duties as executive director.

8.6. Other benefits

The Board of Directors may also recognise executive directors with benefits that supplement protections provided by the social security system: group savings insurance, pension plan, and/or life insurance.

8.7. Compensation in individual cases

Executive director contracts approved by the Board of Directors may contain provisions for severance payments related to post-contractual non-compete clauses, in accordance with standard market practice.

In each case, payments made for the termination or conclusion of the executive director's relationship with the Company, whatever their nature and justification (including amounts derived from long-term savings plans and post-contractual non-compete agreements) will not exceed the equivalent of two (2) years of annual remuneration. These amounts will not be paid until the Company has been able to sufficiently verify that the director has fulfilled the criteria or conditions established for their receipt.

8.8. Main terms and conditions of executive director contracts

Executive director remuneration, rights and financial compensation are determined in the individual's respective contracts, always respecting the provisions of the Articles of Association and the Remuneration Policy.

Contracts signed with executive directors have an indefinite term, do not require any notice period from the Company in the event of severely fraudulent and culpable conduct on the part of the executive director, or three (3) months in other cases, and include clauses on confidentiality, use of Company resources and ethical duties.

9. Other considerations

The Company has taken out, and pays the global premium for, a civil liability insurance policy for Directors and Officers at Ecoener and most of the companies belonging to the group which, therefore, also covers all the directors for any potential liabilities deriving from their performance of the activities inherent to their duties.

10. Remuneration policy as it applies to new directors

The remuneration system described above shall apply to any director who joins the Board of Directors while this Remuneration Policy remains in place.