

GRUPO ECOENER, S.A.

APPOINTMENTS AND REMUNERATION COMMITTEE

**SPECIFIC REPORT ON THE PROPOSAL TO AMEND THE GRUPO
ECOENER, S.A. REMUNERATION POLICY FOR THE 2021-2023 FINANCIAL
YEAR**

(1) Background

In accordance with the laws applicable to listed companies, such companies are required to document any proposals to approve, amend or replace the Director Remuneration Policy and to submit said proposals to the Annual General Shareholders' Meeting for approval.

The General Shareholders' Meeting of Grupo Ecoener, S.A. (hereinafter, the "**Company**" or "**Ecoener**"), held on 9 April 2021, approved a Director Remuneration Policy for the 2021-2023 fiscal years. At that time, the Company did not yet have an Appointments and Remuneration Committee. For this reason, subsequently, and with a view to duly complying with the laws governing the Company, the Appointments and Remuneration Committee ratified – by way of the applicable resolutions and issuance of the corresponding report – the entire contents of the Director Remuneration Policy of the Company at its meeting on 10 June 2021.

However, in view of the potential assignment of functions to companies in the Ecoener group, or to its shareholders, and of the potential impact thereof on Director remuneration, and, in particular, on the amounts received by Directors of the Company for fulfilling their executive functions, a proposal is to be made to the Board of Directors to amend the Director Remuneration Policy of the Company on the terms outlined below, and this report has been prepared for that purpose.

(2) Statement of authority

Pursuant to Article 529 *r* 4 of the Capital Companies Act, the Appointments and Remuneration Committee has legal authority to issue this report regarding the amendment of the Director Remuneration Policy by the Board of Directors, in order that such amendment be submitted to the Annual General Shareholders' Meeting, which is legally authorised to approve the same.

(3) Report

The aforementioned proposal seeks to amend section 8.5 of the Remuneration Policy through the inclusion of new text providing that, where the circumstances require entry into service agreements with other companies in the Econener group, or with its shareholders, whether directly or indirectly, that may have a direct or indirect impact on the remuneration received by Executive Directors, in order to ensure that the Company has a fully transparent procedure in place, the Remuneration Policy is to specify that any such agreements must be approved by the Board of Directors of the Company, following its receipt of a report of the Appointments and Remuneration Committee, and without prejudice to the approval thereof as a related-party transaction, where applicable. As a result, the

Company will thus have a procedure that ensures the utmost transparency and control.

Likewise, the amendment to section 8.5 of the Remuneration Policy specifies that any amount the Executive Directors may indirectly receive through service agreements entered into between the Company and an Executive Director's affiliated undertakings/investee companies will be subject to the restrictions set forth in section 8.1 of the Remuneration Policy.

Finally, the text added to the Remuneration Policy expressly states that the maximum amount of fixed remuneration that may be paid to Executive Directors as specified in section 8.1 of the current Remuneration Policy (that is, €750,000/year) will remain applicable and include all amounts received, directly or indirectly, by the Executive Directors.

In view of the foregoing, and having analysed the need to adapt the content of the Ecoener Director Remuneration Policy, the Appointments and Remuneration Committee hereby deems the amendment to the Director Remuneration Policy appropriate in order to allow for greater flexibility in configuring the various responsibilities that may be assigned to the various Directors and ensuring the utmost transparency in these cases by clearly reflecting such circumstances in any service contracts entered into by the Company with the Executive Director's affiliated undertakings/investee companies.

(4) Conclusion

In accordance with the content of this report, the Appointments and Remuneration Committee of the Company hereby deems the proposal to amend the current Remuneration Policy appropriate in furtherance of the specific needs of Ecoener as it relates to the remuneration of the members of its Board of Directors and in order to ensure complete transparency in the circumstances to which it pertains. In view of the foregoing, the Appointments and Remuneration Committee hereby resolves to submit this favourable report on the amendment of the Director Remuneration Policy for the 2021-2023 fiscal years, which is attached in its restated form as **Annex I**, to the Board of Directors for its consideration thereof, and hereby issues this report for all pertinent purposes.

In witness whereof and for all pertinent purposes, this report and its annex are hereby unanimously approved at the meeting of the Appointments and Remuneration Committee held on 9 September 2021.

Ms María Eugenia Girón

Mr Fernando Lacadena Azpeitia

Ms Inés Juste Bellosillo

Annex I
Proposed Modification of the Remuneration Policy of the Directors of
Grupo Ecoener, S.A. for the financial years 2021-2023.

DIRECTOR REMUNERATION POLICY OF
"GRUPO ECOENER, S.A."

***Proposed Modification of the Remuneration Policy of the
Directors of Grupo Ecoener, S.A. for the financial years 2021-2023.***

(1) Preamble

This document sets out the remuneration policy applicable to the members of the Board of Directors of Grupo Ecoener, S.A. (“**Ecoener**” or the “**Company**” and, together with the other companies in its group, collectively, the “**Group**”), which was approved by the Company's Sole Shareholder on 9 April 2021 and modified by the General Shareholders' Meeting on [29] October 2021 (the “**Remuneration Policy**”).

(2) Regulatory framework of the remuneration policy.

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

Specifically, this Remuneration Policy was considered as a separate item on the agenda and approved by the Company's Sole Shareholder on 9 April 2021 in accordance with the provisions of Article 529 novodecies, sub-section 1, of the LSC, and considered as a separate item on the agenda and modified by the General Shareholders' Meeting on [29] October 2021 in accordance with the provisions of Article 529 novodecies, sub-section 1, of the LSC.

Pursuant to Article 529 novodecies, sub-section 1, of the LSC, Ecoener's Director Remuneration Policy shall, to the extent applicable, be consistent with the remuneration system set out in the Articles of Association. To this end, this Policy is subject to Clause 42 of Ecoener's Articles of Association.

(3) Effectiveness of the remuneration policy

Without prejudice to the provisions of the Capital Companies Act, the Remuneration Policy shall take effect as of the date of admission to trading of the Company's shares on the Spanish stock markets.

The Remuneration Policy shall remain in effect for the three (3) financial years following its approval, i.e. during the 2021, 2022 and 2023 financial years, unless it is otherwise modified, adapted, updated or replaced following a proposal submitted to – and approved by – Ecoener's General Shareholders' Meeting, in accordance with Article 529 novodecies, sub-section 1, of the LSC.

This Remuneration Policy shall be made available on the Company's website free of charge for the duration of its effective period, i.e. during the 2021, 2022 and 2023 financial years.

(4) Principles of the remuneration policy.

The aim of the Remuneration Policy is to ensure that the pay of Ecoener's Directors is (i) tied to the level of commitment they show and the responsibilities they assume, and (ii) in line with the remuneration received by directors of similar domestic and international companies, in view of the long-term interests of the shareholders as a whole.

As such, the Remuneration Policy shall be adapted as appropriate to the prevailing circumstances at any given time, and particularly to (i) developments in any applicable domestic and/or international regulations, best practices, recommendations and standards relating to the pay of directors of listed companies, and (ii) prevailing market conditions.

The Director Remuneration Policy applicable to the Directors of the Company, acting in their capacity as such, is therefore based on the following basic principles:

5. Appropriately remunerating the level of commitment shown and responsibility assumed by the Directors, in line with the pay received by directors of similar companies in light of their capitalisation, size, ownership structure and international presence.
6. Ensuring that remuneration directly contributes to the achievement of Ecoener's strategic targets.
7. Promoting Ecoener's long-term profitability and sustainability, refraining from excessive risk-taking and avoiding policies that reward poor performance.
8. Creating a model for attracting, motivating and retaining top talent.

Consequently, **the remuneration of Directors, acting in their capacity as such**, should be sufficient to compensate their level of commitment, qualifications and responsibility, without compromising their independence.

Moreover, the remuneration policy applicable to **Directors in carrying out executive-level duties** is based on the following principles:

- e) Remunerating such persons in the form of a comprehensive financial package that recognises and accommodates the diverse nature of their professional needs and expectations.
- f) Systematically assessing, in accordance with a set of homogeneous criteria, their professional development, performance and the extent to which their skills profile is suited to any given situation.
- g) Recognising the professional's capacity to add value, in view of their impact on the Group's results and their skill set and personal profile.
- h) Fostering a culture of commitment to the Group's targets, underpinned by contributions made on both an individual level and as part of a team.

(5) *Role of the Appointments and Remuneration Committee and measures taken to avoid conflicts of interest*

The Appointments and Remuneration Committee, whose areas of responsibility are defined in Clause 47 of the Articles of Association and Clause 17 of the Regulations of the Board of Directors, plays a fundamental role in the implementation of this Remuneration Policy, as it reviews and analyses the application of the aforementioned principles with a view to enabling the Company to attract and retain top talent. To this end, the Appointments and Remuneration Committee shall be duly convened by its Chairperson to meet on a regular basis.

In respect of the measures introduced to prevent conflicts of interest, Clause 33 of the Regulations of the Board of Directors provides that Directors shall avoid situations in which corporate interests are at odds with their own or personal interests. In the event that a conflict of interest arises, Directors shall act in accordance with – and fulfil the requirements of – applicable law and the aforementioned Regulations, including the requirement to report the situation to the Board of Directors and to the Audit Committee and the requirement to abstain from taking part in discussions that determine their remuneration.

(6) *Contribution of the Remuneration Policy to the Company's targets*

The following measures are adopted to ensure consistency between this Remuneration Policy and the Company's long-term results and sustainability targets:

- i. The total remuneration of Executive Directors may consist of both (i) a fixed element and (ii) a short and long-term (i.e. the long-term incentive scheme) performance-based

element tied to the Company's strategic, operational and growth targets. While the short-term performance-based remuneration depends on the achievement of annual targets and on the assessment and personal performance of Executive Directors, the long-term performance-based remuneration (i.e. the long-term incentive scheme) is subject to the Company's longer term targets. It is therefore possible to strike a balance between competitive remuneration (fixed pay and annual performance-based pay) and the scope of the Company's targets, while promoting sustainable growth (longer term performance-based pay) and refraining from excessive risk-taking.

- ii. The Company's long-term incentive scheme, in which Executive Directors, managers and a select group of key employees are invited to take part, facilitates the achievement of financial targets and promotes the alignment of interests.
- iii. In any event, the Appointments and Remuneration Committee analyses the extent to which the Executive Directors' short- and long-term targets have been achieved and reports the results of its analysis to the Board of Directors.
- iv. Furthermore, the remuneration of Directors, acting in their capacity as such, specifically extends to contributions to projects and activities carried out for the Company's benefit. This approach incentivises and promotes a Director's contribution to the achievement of the Company's strategic targets.

(7) Remuneration Policy for Directors acting in their capacity as such.

In accordance with Clause 42 of the Articles of Association, the position of a Company Director is remunerated. The purpose of the Remuneration Policy is to compensate members of the Board of Directors, acting in their capacity as such (i.e. for the tasks they undertake and the collective decisions they make on the Board of Directors and the Committees on which they serve), in a manner that is both appropriate and proportionate to their level of commitment, qualifications and responsibility, without compromising their independence.

The annual fixed remuneration for each individual Director, acting in his/her capacity as such, including Executive Directors, is set at €50,000/Director. This maximum amount shall be valid until such time as it is altered by a resolution of the General Shareholders' Meeting. In any event, the Board of Directors may act on a discretionary basis to reduce this amount in any financial year on account of the Company's financial situation at any given time, in view of the market standards of comparable companies, or for any other reason deemed appropriate by the Board of Directors.

Moreover, every member of the Board of Directors (regardless of their capacity and, therefore, including Executive Directors) shall receive an attendance fee for Board meetings of €1,500 per session attended in person, up to a maximum of eight meetings per year.

In addition, in light of their particular commitment, any Directors who undertake special duties (the Coordinating Director, Chairpersons and members of the Audit Committee, the Appointments and Remuneration Committee and the Sustainability Committee) shall receive additional fixed remuneration, as set forth below.

- a) The Coordinating Director shall receive an additional fixed amount of €10,000/year, in consideration of his/her exceptional level of commitment to the Board's work.
- b) If a Director chairs the Audit Committee, the Appointments and Remuneration Committee or the Sustainability Committee, he/she shall receive an additional fixed amount of €20,000/year.
- c) Members of the Audit Committee, the Appointments and Remuneration Committee and the Sustainability Committee (including their respective chairpersons acting in their capacity as members of these committees) shall receive an additional fixed amount of €5,000/year.
- d) Members of the Audit Committee, the Appointments and Remuneration Committee and the Sustainability Committee shall receive an attendance fee for the respective committee meetings of €1,000 per session attended in person, up to a maximum of four meetings per year.

Moreover, members of the Board of Directors (excluding Executive Directors, solely in this case) may receive further remuneration for their involvement in projects or activities commissioned by the Board of Directors for the Company's benefit. The amounts allocated in this capacity for the Board members as a whole (excluding Executive Directors) shall be €500,000/year.

Clause 42 of the Articles of Association, relating to the maximum annual amount, fixes the maximum amount of the annual remuneration payable to the Directors as a whole for the duties they undertake as Directors (excluding the amounts paid to Executive Directors, as indicated in section 8 below) at €1,256,000.

The Board of Directors is responsible for determining the remuneration payable to each individual Director, acting in his/her capacity as such, in accordance with the Company's Articles of Association and the special provisions of this Remuneration Policy.

Without prejudice to the foregoing, the Board of Directors may, in any event, adjust and adapt annual remuneration to reflect the prevailing circumstances at any given time, based on the criteria set out in this section and the principles specified in this Remuneration Policy.

(8) *Executive Director Remuneration Policy*

The Executive Director Remuneration Policy is established and devised in light of the salary and employment terms applicable to the employees of the Company as a whole, and, in particular, the principal terms and elements of the remuneration system applicable to the various groups of employees and to the Company's managers.

In view of the foregoing, and without prejudice to any remuneration that may be payable to Directors acting in their capacity as Board members, as specified in section 7 above, the Remuneration Policy shall compensate Executive Directors who undertake full-time or senior executive duties, including the Executive Chairperson and the Executive Deputy Chairperson,

as follows.

The remuneration of each Executive Director shall be determined by the Board of Directors in accordance with this Remuneration Policy and formalised in an agreement entered into by and between the Company and the Executive Director in question.

- **Fixed remuneration**

Each Executive Director who undertakes executive duties shall receive this fixed form of contractually established remuneration.

This remuneration shall not exceed the amount of €750,000/year per Executive Director.

The precise amount payable to each Executive Director shall be determined by the Board of Directors and formalised in an agreement entered into by and between the Company and the Executive Director in question.

- **Short-term performance-based remuneration**

The performance-based remuneration of Executive Directors shall represent a significant share of their total pay and be tied to the achievement of pre-determined, concrete and quantifiable targets that are directly aligned with the creation of value for shareholders, are subject to different timeframes and are also based on individual, personal targets.

The annual performance-based remuneration of each Executive Director reflects his/her annual contribution to the achievement of pre-determined, concrete and quantifiable targets relating to economic and financial variables, efficiency and growth criteria, and matters of quality and security, and is directly tied to the achievement of the Company's value-added targets.

The targets identified for each Executive Director shall take into account the indicators and weighting factors set by the Board of Directors at the beginning of the year, at the proposal of the Appointments and Remuneration Committee, based on the budget of the Company and its group as well as profit targets and other individual and corporate considerations, provided that they are approved by the Board of Directors. The ultimate aim is to incentivise Directors to achieve their annual targets (financial, non-financial and personal), which are aligned with the Company's strategy.

The annual performance-based remuneration of each Executive Director may amount to up to 50% of the total fixed remuneration of the Executive Director in question.

In any event, the Appointments and Remuneration Committee shall assess and review the performance of Executive Directors in relation to the established targets in order to determine their level of achievement, and shall subsequently report the results of its analysis to the Board of Directors. The short-term performance-based remuneration shall therefore not be paid until such time as the Board of Directors has determined that the corresponding pre-determined eligibility conditions have been duly met.

- **Long-term performance-based remuneration (long-term incentive scheme)**

With a view to incentivising Executive Directors to achieve their financial targets and aligning the long-term interests of Executive Directors, managers and key employees of the Company, Executive Directors are permitted to be beneficiaries of any long-term incentive schemes proposed by the

Company.

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. This scheme takes into account the EBITDA for 2023, which is expected to exceed €80,000,000, in the Consolidated Financial Statements of the Company as of 31 December 2023. The amount to which beneficiaries of the three-year remuneration plan shall be entitled includes, but is not limited to, 0.5% of the EBITDA for 2023, provided that this amount exceeds the sum referenced above. This total amount shall be distributed among the beneficiaries in proportion to the total remuneration they receive from the Company in any capacity, which such percentage (of the total amount) shall be duly specified in the letter formalising their participation in the scheme. The corresponding amount shall be settled in cash, with there being no expectation that Company shares will be delivered in respect thereof.

If the long-term performance-based remuneration involves the delivery of Company shares, in whole or in part, the Executive Directors may not, except in certain exceptional cases, transfer ownership of the corresponding shares or execute any instruments in respect thereof for a period of at least three (3) years. This restriction shall not apply to any scenario in which, at the time of the transfer or execution, the Director has a net economic exposure to a change in the share price the market value of which is at least twice (2 times) the amount of his/her annual fixed remuneration by way of ownership of shares, options or other financial instruments.

- **Malus Clauses and Repayment or Clawback Clause**

In response to any proposal made by the Appointments and Remuneration Committee, the Board of Directors is authorised to cancel, reduce or defer the payment of performance-based remuneration (*malus clause*) or require the repayment of any previously settled amounts (*repayment or clawback clause*) in certain cases. These circumstances include acts of fraud, a serious breach of law and the material reformulation of the financial statements used by the Board of Directors to assess performance, insofar as the reformulation is confirmed by external auditors and is not the result of a change in accounting regulations.

- **Extraordinary forms of remuneration**

In certain cases, the Board of Directors may tie a form of remuneration to an individual's ability to achieve a series of concrete and pre-determined targets as part of a special transaction. Similarly and on an exceptional basis, the Board of Directors may tie a form of remuneration to special achievements that have made a decisive contribution to the Company's results or to economic losses incurred by an Executive Director of the Company in his/her annual remuneration by reason of his/her leaving the executive or managerial positions he/she previously held in other companies outside of the Group, up to the point at which he/she assumes the position of Executive Director of the Company.

Moreover, in addition to the sums and items specified in this Remuneration Policy, Executive Directors may receive other sums from other Group companies or their shareholders, provided that there is no conflict of interest in respect of the Company or the performance of such person's duties as an Executive Director. [In these cases, and especially where the Executive Director indirectly receives payments from the Company by virtue of a service agreement entered into by and between the Company and the Executive Director's affiliated undertakings, the restrictions specified in this Remuneration Policy, and specifically those contained in section 8.1, shall be applicable. A report prepared by the Appointments and Remuneration Committee detailing the aforementioned agreements concluded with the Executive Director's affiliated undertakings shall be submitted to the Board of Directors for approval, without prejudice to the approval thereof as a related-party transaction, where applicable.](#)

- **Social security benefits and plans**

Additionally, the Board of Directors may determine that Directors are entitled to receive benefits in addition to the coverage provided by their social security scheme: group savings insurance, pension plan and/or life insurance.

- **Compensation in exceptional circumstances**

Any agreements with Executive Directors that are approved by the Board of Directors may establish compensation payable upon termination and post-contractual non-compete clauses, subject to standard market terms and conditions.

In any event, any payments settled in connection with the termination or expiry of the Executive Director's relationship with the Company, regardless of their nature and justification (including amounts arising from long-term savings plans and post-contractual non-compete clauses) shall not exceed an amount equal to two (2) years' annual remuneration. These sums shall not be settled until such time as the Company has satisfactorily shown that the Director has met the corresponding eligibility criteria or conditions.

- **Principal terms and conditions of agreements with Executive Directors**

An Executive Director's remuneration, rights and financial compensation are set out in his/her respective contract and shall be determined at all times in accordance with the provisions of the Articles of Association and the Remuneration Policy.

Agreements entered into with Executive Directors shall have an indefinite term and shall contain confidentiality clauses and clauses on the use of the Company's resources and the Executive Director's ethical obligations. While the Company is not required to give the Executive Director any notice in the event that he/she is found to have perpetrated an act of serious and wilful misconduct or gross negligence, three (3) months' notice shall be given in all other cases.

(9) Other considerations

The Company has taken out – and duly pays the applicable premium under – a civil liability insurance policy that covers Ecoener's Directors and Managers and most of the companies belonging to its group. Consequently, it also covers all Directors to the extent that they incur liability in the performance of their duties.

(10) Remuneration policy for new Directors

The remuneration system in question shall apply to any Director that joins the Board of Directors during the effective period of this Remuneration Policy.