REPORT ON THE FUNCTIONING OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF GRENERGY RENOVABLES S.A.'S BOARD OF DIRECTORS

I.- INTRODUCTION

In accordance with the provisions of Recommendation 6 of the Code of Good Governance for Listed Companies and of article 31 of the Board of Director's Regulations approved by GRENERGY RENOVABLES S.A. (hereinafter, GRENERGY or the Company), this Report on the Functioning of the Committee has been drawn in respect of financial year 2021.

II.- REGULATION OF THE COMMITTEE.

The current Appointments and Remuneration Committee was set up by means of a resolution approved by the Board of Directors on 15 November 2019, prior to the date on which GRENERGY became a listed company, in December 2019. Previously, and since 2016, there had been an Audit, Control, Appointments and Remuneration Committee, which combined the functions of an Audit Committee and those of an Appointments and Remuneration Committee.

GRENERGY's Appointments and Remuneration Committee is governed by the provisions of article 28 of the Company's By-Laws and of article 31 of the Board of Directors' Regulations.

GRENERGY's corporate rules, including those referred to in the preceding paragraph, are published on the Company's corporate website, and may be accessed through the following link: https://grenergy.eu/normas-corporativas/

III.- COMPOSITION OF THE COMMITTEE.

Pursuant to article 28 of the By-Laws, the Appointments and Remuneration Committee consists of at least of three directors appointed by the Board of Directors, and all of them must be non-executive directors. The Chairperson of the Committee must be an independent director. Article 31 of the Board of Directors' Regulations fixes the maximum number of members of the Committee and establishes that a majority of them must be independent.

As of 31 December 2021, the composition of the Appointments and Remuneration Committee (which has not been modified since then and up to the date of this report) is as follows:

Director	Category	Type of director	Date of first appointment as director	Date of appointment as member of the Committee
Ms. Ana Peralta Moreno	Member	Independent	27-06-2016	15.11.2019
Mr. Nicolás Bergareche Mendoza	Member	Independent	27-06-2016	15.11.2019
Ms. Rocío Hortigüela Esturillo	Chairperson	Independent	15-11-2019	15.11.2019
Ms. María Merry del Val Mariátegui	Member	Independent	29-06-2021	27-07-2021

The professional profiles of these directors may be accessed on the corporate website, through the following link: https://grenergy.eu/organos-de-gobierno/

The Secretary of the Appointments and Remuneration Committee is Mr. Florentino Vivancos Gasset, who is also the Advisory Secretary of GRENERGY's Board of Directors.

IV. FUNCTIONS AND TASKS PERFORMED BY THE COMMITTEE.

The functions and responsibilities entrusted to the Appointments and Remuneration Committee are set forth by article 31 of the Board of Directors' Regulations. Without prejudice to any other task that may be entrusted to the Committee by the Board of Directors, the Board of Directors' Regulations, as they were in force throughout financial year 2021, 15 December 2020, entrusted the following functions to the Committee:

1. To evaluate the skills, knowledge and experience required from members of the Board. In this respect, the Committee must define the functions and aptitudes required from the candidates that must fill any vacancies, while assessing the time and the devotion needed to perform their duties as efficiently as possible.

2. To organise and coordinate the regular assessment of the Board and, if appropriate, of the top executive of the Company.

3. To establish a representation target for the underrepresented sex in the Board and draw up guidelines about how this target may be reached.

4. To submit to the Board of Directors all proposals for the appointment of independent directors, for designation on a co-option basis or for submission to the decision of the General Meeting of Shareholders, as well as any proposals for re-election or removal of said directors by the General Meeting.

5. To report on the proposed appointments concerning the remaining directors in view of their appointment on a co-option basis or for submission to the decision of the General Meeting of Shareholders, as well as of any proposals for their re-election or removal by the General Meeting.

6. To review and organise the succession of the Committee's Chairperson and of the Company's top executive, for a smooth, planned succession.
7. To report on the proposals concerning the appointment and removal of top managers and of the Secretary, and of the basic conditions of their contracts.

8. To propose to the Board the members of each of the Committees to be set up, in accordance with the provisions of these Regulations.

9. To propose to the Board of Directors the policies concerning the compensation payable to the Company's directors and general managers, or of any persons performing top management duties while directly reporting to the Board, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive directors, ensuring that they are complied with.

10. To propose to the Board of Directors the basic conditions of top managers' contracts.

11. To ensure that the compensation policy of the Company is complied with.

12. To review on a regular basis the compensation policy applied to directors and top managers, including any stock-based compensation and the application thereof, as well as to ensure that their individual remuneration is proportional to that received by the remaining directors and top managers of the Company.

13. To ensure that the independence of any external adviser rendering services to the Appointments and Remuneration Committee is not impaired by any potential conflict of interest.

14. To review the information on the compensation payable to Directors and Top Managers contained in any corporate document, including the Annual Report on Directors' Compensation.

15. To submit to the Board of Directors, for approval purposes, a policy for the selection and diversity of directors and verify that this policy is complied with on a yearly basis, reporting on this issue in the Annual Corporate Governance Report.

16. To monitor compliance with the Company´s policies and rules regarding environmental, social and corporate governance matters, as well as the Internal Code of Conducts. In this respect, the Appointments and Remuneration Committee will perform at least the following functions:

    a) Overseeing compliance with the Company´s corporate governance rules and internal codes of conduct, while ensuring that the corporate culture is consistent with the Company's purpose and values.

    b) Periodically assessing and reviewing the corporate governance system and the Company's environmental and social policy, so that they achieve their objective of promoting corporate interests, while also considering, where appropriate, the legitimate interests of any remaining stakeholders.

    c) Ensuring that the practices of the Company in environmental and social matters are consistent with the predefined strategy and policy.

    d) Overseeing and assessing the processes implemented in connection with different stakeholders.

17. To propose to the Board of Directors such additional matters it deems expedient in connection with its scope of competence.

Chapter VI of this Report describes the most significant activities carried out by the Committee throughout financial year 2021, within the framework of the functions and tasks referred to above.

V. MEETINGS HELD BY THE COMMITTEE AND ATTENDEES.

In accordance with the agenda it finally approved in late 2020, this Committee held the following meetings in financial year 2021:

- 19 February 2021
- 5 April 2021
- 7 May 2021
- 15 July 2021
- 22 October 2021
- 13 December 2021

The meetings are planned by the Chairwoman of the Appointments and Remuneration Committee in accordance with an agenda agreed upon during the first four months of the year by all directors, having regard to the planning of the Board of Directors, the publication of certain reports and other relevant issues that affect the Company's functioning.

On average, the approximate length of the meetings was three hours, and each of the members of the Committee is required to devote a number of hours to reviewing and analysing the issues to be dealt with.

Attendance control is carried out at the beginning of every meeting, and attendees are specified in the relevant minutes. All the members of the Committee have always attended its meetings. In addition, these meetings have also been attended, upon request, by different members of other Company´s teams, mainly the managers from the human resources department, the head of the investor relations department and the ESG department manager.

At all the meetings of the Appointments and Remuneration Committee, the different questions submitted to its consideration and, as the case may be, decision, are thoroughly examined.

The discussions of the Committee, as well as its resolutions and decisions, are duly recorded in the minutes.

In addition, as regards the rules governing the constitution and the adoption of resolutions within the Appointments and Remuneration Committee, the Committee may adopt valid resolutions if its meeting is attended, in person or by means of a representative, by at least half of its members, and its resolutions are adopted by majority of votes. In the event of a tie, the Chairperson has the casting vote.

Finally, as indicated above, the relationships between the Appointments and Remuneration Committee and the Board of Directors of the Company are based on the principle of full transparency. In this respect, the Chairwoman of the Committee informs the Board of Directors, at each of their meetings, of the main matters dealt with and on the activities and works performed by the Committee, while proposing to the Board of Directors of the Company, whenever required, the adoption of any relevant resolutions.

VI. SIGNIFICANT ACTIVITIES CARRIED OUT BY THE COMMITTEE.

At its meetings, the Appointments and Remuneration Committee deals with issues related to legal requirements and the recommendations contained in the Code of Good Governance, but also with matters deemed of interest and falling within its scope of competence. The main activities carried out by the Committee throughout financial year 2021 in respect of GRENERGY are summarised below:

- Proposed the appointment of Ms. Teresa Quirós Álvarez as independent director and reported favourable on the designation of Ms. María Merry del Val Mariátegui as shareholding director.

- Resolved situations of conflict of interest affecting directors.

- Reviewed and proposed the composition of the committees and modifications to the Company's organisation chart.

- Organised the assessment of the Board of Directors, the Committees, the Chairperson, the coordinator director and the Secretary, with the assistance of an external consultant, and reviewed the outcomes thereof.

- Monitored the implementation of the directors' compensation policy; more specifically, the Committee issued a favourable report on the determination of the variable compensation payable to directors for financial year 2020 and the setting of the objectives leading to the determination of said compensation for financial year 2021.

- Reviewed the directors' compensation policy before proposing the modification thereof to the Meeting.

- Supervised the objectives for determining the compensation payable to top managers in financial year 2021.

- Verified compliance with the compensation policy applicable to top managers in financial year 2021.

- Provided a favourable report on the approval by the Board of the Annual Corporate Governance Report and on the report on directors' compensation for financial year 2019.

- Approved the report on its own activities carried out in 2020 at the request of the General Meeting.

- Approved specific training plans for directors for financial year 2021.

- Delivered a favourable report in respect of the granting of options under the Stock Option Plan for 2019-2023 for the benefit of Company's top managers and employees.

- Reviewed the implementation of the equality plan within the Company and the Company's compensation transparency.

- Monitoring of the objectives of the Company's ESG Action Plan.

- Review of the ESG 2020 report.

- Review of the Company's ESG policy.

- Review of the situation in terms of corporate governance and drawing up of an Action Plan in connection therewith.

- Approval of the procurement policy.

- Approval of its agenda for financial year 2022.

VII. ASSESSMENT OF THE COMMITTEES' FUNCTIONING AND PERFORMANCE.

In the last four months of financial year 2021, the Appointments and Remuneration Committee carried out an assessment of its own functioning, number, frequency and length of its meetings, participation of its members, composition, documentation and treatment given to some of the issues falling within its scope of competence.

It may be inferred from this assessment that the Committee is adequately set up and operates smoothly, while correctly performing the duties it is responsible for.

The Board has been informed by the Committee of the results of this assessment.

VIII. CONCLUSIONS.

As highlighted above, throughout 2021 the Appointments and Remuneration Committee reviewed and analysed the main issues and questions falling within its scope of competence, while periodically informing the Company's Board of the most significant matters considered.

For financial year 2022, the Appointments and Remuneration Committee intends to continue reviewing and monitoring the situation of all matters falling within its scope of competence, in accordance with its meeting agenda, as approved in late 2021.

IX. DATE OF DELIVERY AND APPROVAL OF THE REPORT.

This report was delivered and approved by the Appointments and Remuneration Committee on 18 February 2022 and approved by GRENERGY's Board of Directors on 24 February 2022.