GRENERGY

REMUNERATION POLICY FOR DIRECTORS OF GRENERGY RENOVABLES, S.A.

1. INTRODUCTION

The Board of Directors of Grenergy Renovables, S.A. ("**Grenergy**" or the "**Company"**), at the proposal of the Appointments, Remuneration and Sustainability Committee, submits for approval of the General Shareholders' Meeting of the Company, which is expected to be held on 7 May 2024 on first call, as item nine on the agenda, this remuneration policy for Grenergy's directors (the "**Remuneration Policy**").

If approved, in compliance with the provisions of article 529 novodecies of the consolidated text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July (the "**Capital Companies Act**"), the Remuneration Policy shall enter into force on the day of its approval by the General Shareholders' Meeting and shall remain in force during financial years 2025, 2026 and 2027, notwithstanding that the Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, may propose a new remuneration policy at an earlier date or the amendment of the Remuneration Policy, if deemed appropriate.

The Remuneration Policy will replace the current Directors' Remuneration Policy approved by the Annual General Meeting held on 11 May 2022 and subsequently amended by the Annual General Meeting held on 24 April 2023.

The Remuneration Policy is a continuation of the current remuneration policy. Notwithstanding the foregoing, following a review by the Appointments, Remuneration and Sustainability Committee and the Board of Directors of the current remuneration policy, it has been deemed appropriate to approve a new policy for the purposes, mainly, of: (i) including the remuneration of the new executive director, whose appointment is proposed to the Ordinary General Meeting of Shareholders of the financial year 2024 under item eight of the agenda; and (ii) describing the new long-term incentive plan consisting of the delivery of rights on the revaluation of shares of the Company (*Stock Appreciation Rights*), whose approval is proposed to the Ordinary General Meeting of Shareholders of the financial year 2024 under item ten of the agenda.

2. REGULATORY FRAMEWORK

Articles 529 septdecies and 529 octodecies of the Capital Companies Act establish the obligation for listed companies to have a remuneration policy for directors, which must determine and detail the remuneration that they are entitled to receive in their capacity as such, as well as for the performance of executive duties.

In turn, article 529 novodecies of the Capital Companies Act establishes that the directors' remuneration policy shall be approved by the General Shareholders' Meeting at least every three years as a separate item on the agenda. It also establishes that any amendment or replacement of the directors' remuneration policy requires the prior approval of the General Shareholders' Meeting in accordance with the procedure provided for its approval. In addition, the proposal of the remuneration policy of the Board of Directors shall be reasoned and must be accompanied by a specific report of the Appointments and Remuneration Committee. Both documents must be made available to shareholders on the Company's website as soon as the meeting is called.

The General Shareholders' Meeting may request that they be delivered and sent free of charge. The notice convening the General Meeting shall mention this right.

3. GENERAL CONSIDERATIONS AND PRINCIPLES OF REMUNERATION POLICY

The main objective of the Remuneration Policy is that the remuneration received by the directors should be in reasonable proportion to the importance of the Company, to the economic situation of the Company at any given time and to the market standards of comparable companies both at national and international level.

In addition, the Remuneration Policy is aimed at promoting profitability for Grenergy and its shareholders, the long-term sustainability of the Company, as well as incorporating the necessary precautions to discourage excessive risk-taking and the rewarding of unfavourable results. To this end, the objective of the Remuneration Policy is that directors' remuneration should be related to the professional performance of their beneficiaries so that it serves to reward their activity and commitment to the Company, and not depend exclusively on other circumstances such as the general evolution of the markets or of Grenergy's sector of activity.

Remuneration should also be adequate to attract and retain directors with the desired profile and reward the dedication, qualifications and responsibility required by the position, without compromising the independence of the directors' judgement.

The Board of Directors of Grenergy undertakes to give effect to the principle of full transparency of all items of remuneration received by directors, providing transparent information with the necessary advance notice and respecting the good governance recommendations generally recognised in international markets in the field of directors' remuneration. To this end, the Board of Directors shall ensure the transparency of the remuneration of directors, annually recording in a detailed and individualised manner, according to their positions and categories, all remuneration received by them in the annual report on directors' remuneration.

4. REMUNERATION OF COMPANY DIRECTORS

4.1. General remuneration structure

This Remuneration Policy distinguishes between the remuneration to be received by executive directors of the Company and that to be received by external or non-executive directors. Executive directors shall only receive remuneration for the performance of their executive duties and not for their membership of the Board of Directors of the Company or its Committees.

The remuneration of executive directors, i.e. for the performance of their executive duties, shall consist of a fixed amount and a variable amount. In addition, they shall be entitled to participate in the Company's long-term incentive plan in force from time to time, provided that the Board of Directors so resolves, subject to a favourable report from the Appointments, Remuneration and Sustainability Committee.

The remuneration of external or non-executive directors shall be fixed and shall be paid in cash. In particular, remuneration shall consist of a basic monetary remuneration for the position of director, as well as allowances for membership of Board Committees, chairmanship of such committees or the position of coordinating director.

The maximum amount of annual remuneration for all directors in their capacity as such shall be 618,600 euros, which shall remain unchanged in subsequent years until the General Meeting resolves on a new amount. This amount takes into account the current composition of the Board of Directors of the Company, i.e. a Board in which seven directors are non-executive directors. In the event that new non-executive directors join the Board during the term of this Remuneration Policy, the amount shall be increased by 12% for each new non-executive director that implies an increase in the number of members of the Board of Directors.

All amounts set out in this Remuneration Policy are foreseen for the first year of application of this Remuneration Policy, i.e. 2024. However, in each financial year the amounts will be updated according to the annual variation of the Consumer Price Index (CPI) as of December 2024.

4.2. Remuneration of executive directors, i.e. for the exercise of their executive functions.

As of this date, the chairman of the Company is the only member of the Board of Directors who performs executive duties in the Company. Notwithstanding the foregoing, the appointment of a new executive director is proposed to the Annual General Meeting of Shareholders for financial year 2024 under item eight on the agenda. If this appointment is approved, there will therefore be two members of the Board of Directors who will perform executive functions.

The Board of Directors, following a report from the Appointments, Remuneration and Sustainability Committee, is responsible for setting the specific remuneration of the executive directors for the performance of their executive duties, as well as the terms and conditions of their contracts with the Company, in accordance with the provisions of article 249.3 of the Capital Companies Act and this Remuneration Policy.

4.2.1. Chief Executive Officer

Remuneration

The remuneration of the executive chairman shall consist of fixed remuneration and variable remuneration. In addition, he/she shall be entitled to participate in the Company's long-term incentive plan in force from time to time, provided that the Board of Directors so resolves, subject to a favourable report from the Appointments, Remuneration and Sustainability Committee.

(i) Fixed remuneration.

The annual fixed remuneration of the executive chairman is set at 120,000 euros, although it is foreseen that, at the option of the executive chairman, an amount not exceeding 15% of this fixed remuneration will be received in kind, through the use of a car.

The Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, may agree to review the amount of fixed annual remuneration during the term of the Remuneration Policy. In such case, it would be detailed in the corresponding annual report on directors' remuneration.

In addition, in line with the benefits policy for the Company's management team, they will be beneficiaries of the social and welfare systems customary in the sector, such as life insurance, family health, disability and accident insurance. The amount allocated to these benefits shall not exceed 10% of his fixed remuneration, unless there are extraordinary circumstances that lead to an increase in the amount thereof.

(ii) Variable remuneration.

The annual variable remuneration of the executive chairman shall consist of a monetary amount not exceeding 150% of his fixed annual gross salary. It shall be determined on the basis of the achievement of the objectives set out below, which combine the principles of obtaining a return appropriate to the business, the long-term sustainability of the Company and the incorporation of the necessary precautions to discourage excessive risk-taking and the rewarding of unfavourable results:

a) Financial and operational objectives set by the Board of Directors in relation to the business plan and the ESG action plan. Within these objectives, the following four will be included:

    (1) EBITDA contemplated in the business plan.
    (2) Compliance with debt ratios.
    (3) Fulfilment of the pipeline contemplated in the business plan.
    (4) Compliance with the ESG action plan for that year.

b) Corporate and governance objectives set by the Board of Directors, the weighting of which shall not exceed 20% of their total variable remuneration.

The Board of Directors, at the proposal of the Nomination, Remuneration and Sustainability Committee, shall have the power to review the variable remuneration targets in order to align them with the Company's strategy.

The specific variable remuneration of the executive chairman shall be determined by the Board of Directors after it has drawn up the accounts for the financial year to which the remuneration corresponds. For this purpose, the Audit Committee shall establish compliance with the objectives set forth in sections a) (1), (2) and (3) above. In addition, the Nomination, Remuneration and Sustainability Committee shall determine compliance with the remaining objectives and report favourably on the corresponding variable remuneration. However, the Board of Directors may decide not to pay the variable remuneration, despite the fulfilment of the objectives, in the following circumstances: (i) Grenergy's consolidated accounts show losses or an unforeseen decrease in profit; (ii) breaches of the Company's Code of Ethics by the director; (iii) the director being indicted or investigated in criminal proceedings; or (iv) a situation of risk of insolvency of the Company.

Main terms of the contract

The main terms and conditions of the Chief Executive Officer's contract, in addition to those referred to in this Remuneration Policy, shall be as set out below:

- *Duration*: the duration of the contract will be subject to the term of his appointment as executive chairman.

- *Exclusivity*: the contract shall generally provide for exclusivity, without prejudice to the administration of personal assets or the exercise of responsibilities in companies belonging to the executive chairman, his family members or his holding company, provided that this does not hinder the fulfilment of the duties of diligence and loyalty inherent to his position or involve any competition or conflict with the Company.
- *Non-competition undertaking*: the executive chairman shall have a non-competition undertaking for a period of 12 months following the termination of his contract due to voluntary resignation of the executive chairman or termination at the request of the Company due to non-compliance by the executive chairman. The non-competition undertaking shall be remunerated in an amount equivalent to 20% of his annual fixed remuneration, which shall be paid through fixed monthly remuneration, in equal instalments, for the duration of the contract.
- *Compensation*: in the event of termination of the contract at the will of the executive chairman due to breach by the Company or at the request of the Company due to breach by the executive chairman, if the Company recognises the lack of cause or if this is judicially declared, the executive chairman shall be entitled to compensation at the rate of 20 days of fixed remuneration per year of the term of the contract, with periods of less than one year being calculated by months and with a limit of one year's salary. In all other cases in which the termination of the contract is formalised at the request of the Company, the executive chairman shall be entitled to compensation at the rate of 7 days of fixed remuneration per year of the term of the contract, with periods of less than one year being calculated on a monthly basis and with a limit of 6 monthly payments. These indemnities shall not be paid until the Company has been able to verify that the director has met the performance criteria.
- *Malus and clawback clauses*: the contract will include a clause allowing the Company to cancel (*malus*) the right to receive the variable remuneration pending payment and to claim the reimbursement (*clawback*) of part or all of the variable remuneration when certain exceptional circumstances affecting the Company's performance or arising from very serious misconduct of the executive chairman occur. The clawback clauses will have a term of application of 2 years from the date of payment.
- *Notice*: the contract shall provide for a 3-month notice clause both for the termination of the relationship by the CEO and for the termination of the relationship by the Company.

4.2.2. Chief Executive Officer

Remuneration

The remuneration of the chief executive officer shall consist of a fixed remuneration and a variable remuneration. In addition, he/she shall be entitled to participate in the Company's long-term incentive plan in force from time to time, provided that the Board of Directors so resolves, subject to a favourable report from the Appointments, Remuneration and Sustainability Committee.

(i) Fixed remuneration.

The annual fixed remuneration of the chief executive officer is set at 250,000 euros. The Board of Directors, at the proposal of the Appointments, Remuneration and Sustainability Committee, may agree to review the amount of the annual fixed remuneration during the term of the Remuneration Policy. In such case, it would be detailed in the corresponding annual report on directors' remuneration.

In addition, in line with the policy of benefits for the Company's management team, they will be beneficiaries of the social and welfare systems customary in the sector, such as the use of a vehicle, life insurance, family health, disability and accident insurance. The amount allocated to these benefits shall not exceed 5% of their fixed remuneration, except in the event of extraordinary circumstances that lead to an increase in the amount thereof.

(ii) Variable remuneration.

The annual variable remuneration of the Chief Executive Officer shall consist of a monetary amount not exceeding 150% of his fixed gross annual salary. It shall be determined on the basis of the achievement of the objectives set out below, which combine the principles of obtaining a return appropriate to the business, the long-term sustainability of the Company and the incorporation of the necessary precautions to discourage excessive risk-taking and the rewarding of unfavourable results:

a) Financial and operational objectives set by the Board of Directors in relation to the business plan and the ESG action plan. Within these objectives, the following four will be included:

   (1) EBITDA contemplated in the business plan.
   (2) Compliance with debt ratios.
   (3) Fulfilment of the pipeline contemplated in the business plan.
   (4) Compliance with the ESG action plan for that year.

b) Corporate and governance objectives set by the Board of Directors, the weighting of which shall not exceed 20% of their total variable remuneration.

The Board of Directors, at the proposal of the Nomination, Remuneration and Sustainability Committee, shall have the power to review the variable remuneration targets in order to align them with the Company's strategy.

The specific variable remuneration of the chief executive officer shall be set by the Board of Directors after it has drawn up the accounts for the financial year to which the remuneration corresponds. For this purpose, the Audit Committee shall establish compliance with the objectives set out in sections a) (1), (2) and (3) above. In addition, the Nomination, Remuneration and Sustainability Committee shall determine compliance with the remaining objectives and report favourably on the corresponding variable remuneration. However, the Board of Directors may decide not to pay the variable remuneration, despite the fulfilment of the objectives, in the following circumstances: (i) Grenergy's consolidated accounts show losses or an unforeseen decrease in profit; (ii) breaches of the Company's Code of Ethics by the director; (iii) the director being indicted or investigated in criminal proceedings; or (iv) a situation of risk of insolvency of the Company.

Main terms of the contract

The main terms and conditions of the chief executive officer's contract, in addition to those referred to in this Remuneration Policy, shall be as set out below:

- *Duration*: the duration of the contract shall be subject to the term of his appointment as Chief Executive Officer.

- *Exclusivity*: the contract shall provide for exclusivity, and therefore may not perform any type of service (even if such activity does not coincide with that of the Company), directly or indirectly, unless authorised in writing by the Company.
- *Non-competition undertaking*: the Chief Executive Officer will have a non-competition undertaking for a period of 12 months following the termination of his contract due to voluntary resignation of the Chief Executive Officer or termination at the Company's request due to non-compliance by the Chief Executive Officer. The non-competition commitment will be remunerated in an amount equivalent to 20% of his annual fixed remuneration, which will be paid through fixed monthly remuneration, in equal instalments, for the duration of the contract.
- *Compensation*: in the event of termination of the contract at the will of the chief executive officer due to breach by the Company or at the request of the Company due to breach by the chief executive officer, if the Company recognises the lack of cause or if this is judicially declared, the chief executive officer shall be entitled to compensation at the rate of 20 days of fixed remuneration per year of the term of the contract, with periods of less than one year being calculated by months and with a limit of one year's salary. In all other cases in which the termination of the contract is formalised at the request of the Company, the chief executive officer shall be entitled to compensation at the rate of 7 days of fixed remuneration per year of the term of the contract, with periods of less than one year being calculated on a monthly basis and with a limit of 6 monthly payments. These indemnities shall not be paid until the Company has been able to verify that the director has met the performance criteria.
- *Malus and clawback clauses*: the contract will include a clause allowing the Company to cancel (*malus*) the right to receive the variable remuneration pending payment and to claim the refund (*clawback*) of part or all of the variable remuneration in the event of certain exceptional circumstances affecting the Company's results or arising from very serious misconduct by the CEO. The clawback clauses will have a term of application of 2 years from the date of payment.
- *Notice*: the contract shall provide for a 3 month notice clause for both the termination of the relationship by the CEO and the termination of the relationship by the Company.

4.2.3. Long-term incentive

As indicated above, executive directors shall be entitled to participate in the Company's long-term incentive plan in force from time to time, provided that the Board of Directors so resolves, subject to a favourable report from the Appointments, Remuneration and Sustainability Committee.

To this end, it has been agreed to submit for approval at the Ordinary General Shareholders' Meeting of 2024, under item ten on the agenda, a plan consisting of an extraordinary and non-consolidable long-term variable remuneration in cash based on the increase in value of Grenergy shares over a certain period of time for key personnel of the Company. In this regard, the Company will grant each beneficiary a number of rights entitling him to receive, after a certain period of time, an amount in cash equivalent to the increase in value of the Company's shares during such period of time (*Stock Appreciation Rights*) (the "**Incentive**"). The maximum number of Stock Appreciation Rights that may be allocated to all executive directors as a whole will be 1% of the share capital following the capital reduction that is submitted for approval at the 2024 Annual General Meeting under agenda item six.

The receipt of the Incentive shall be conditional upon the fulfilment of a series of financial and shareholder value creation objectives, as well as objectives linked to sustainability or the environment, which shall be approved by the Board of Directors at the proposal of the Appointments, Remuneration and Sustainability Committee.

The Plan will have a total duration of 5 years and will be divided into 3 cycles of 3 years each, independent of each other. In particular: (i) the first cycle of the Plan will correspond to the 3-year period between 2025 and 2027 (both included), with the period for measuring compliance targets being between 1 January 2025 and 31 December 2027. The settlement and payment of the Incentive to each beneficiary of the first cycle of the Plan will be carried out, if applicable, during the first quarter of the 2028 financial year, once the achievement of the objectives linked to the first cycle of the Plan has been assessed; (ii) the second cycle of the Plan will correspond to the 3-year period between 2026 and 2028 (both included), with the period for measuring compliance objectives being between 1 January 2026 and 31 December 2028. The settlement and payment of the Incentive to each beneficiary of the second cycle of the Plan will be carried out, if applicable, during the first quarter of the 2029 financial year, once the achievement of the objectives linked to the second cycle of the Plan has been assessed; and (iii) the third cycle of the Plan will correspond to the 3-year period between 2027 and 2029 (both included), with the period for measuring compliance objectives being between 1 January 2027 and 31 December 2029. The settlement and payment of the Incentive to each beneficiary of the third cycle of the Plan will be carried out, if applicable, during the first quarter of the 2030 financial year, once the achievement of the objectives linked to the third cycle of the Plan has been assessed.

4.2.4. Extraordinary remuneration

The Board of Directors of the Company, at the proposal of the Appointments, Remuneration and Sustainability Committee, has the power to agree the granting of extraordinary variable remuneration to executive directors in the event of extraordinary corporate transactions that generate significant added value for Grenergy's shareholders.

4.3. Remuneration of external or non-executive directors

The maximum amount of the annual remuneration of all the directors in their capacity as such shall be 618,600 euros, which shall remain unchanged in subsequent years until the General Meeting resolves on a new maximum amount.

The remuneration of non-executive directors shall consist of an annual cash amount to be fixed by the Board of Directors, taking into account the duties and responsibilities attributed to each of the directors by virtue of their membership of Board Committees, their chairmanship of such Committees or their position as lead director.

The following concepts are covered:

a) A maximum fixed annual gross cash amount for being a member of the Board of Directors for each non-executive director of 55,674 euros.

b) An additional fixed annual amount in cash depending on membership of the Board of Directors' Committees. An annual amount of 13,919 euros is established for being a member of the Audit Committee and 11,599 euros for being a member of the Appointments, Remuneration and Sustainability Committee. The chairman of the Audit Committee shall receive

23,198 euros and the chairman of the Appointments, Remuneration and Sustainability Committee will receive 18,558 euros.

c) The co-ordinating director shall receive an additional remuneration of 6,959 euros.

4.4. Social welfare systems

Directors shall not be beneficiaries of social security systems other than those to which they are entitled by law, and the contribution shall be paid by the Company or by the director, in accordance with the provisions of the law.

4.5. Liability insurance

The directors shall be beneficiaries of the group civil liability insurance policy taken out by the Company, which covers liability for acts and conduct of the members of the Board of Directors and executives of the Company as a result of the performance of the activities inherent to their duties.

5. REMUNERATION POLICY APPLICABLE TO NEW DIRECTORS

The provisions of this Remuneration Policy shall apply to directors appointed in the future, for so long as this Remuneration Policy remains in force.

6. CONSIDERATIONS ON THIS REMUNERATION POLICY

This Remuneration Policy contributes to the business strategy and to the long-term interests and sustainability of the Company, firstly, because of the moderate nature of the remuneration and, secondly, because it establishes variable remuneration for executive directors, the vesting criteria for which include objectives such as the debt ratio that seek to discourage excessive risk-taking, the existence of a certain pipeline that also contemplates long-term developments, and compliance with the ESG plan. On the other hand, when setting remuneration conditions, the remuneration and employment conditions of the Company's employees have been taken into account.

The Remuneration Policy discloses any deferral period and the possibility for the Company to demand the return of variable remuneration (*clawback* clause), the duration of contracts or agreements with directors, the applicable notice periods and the termination conditions and payments linked thereto.

It also explains the decision-making process followed for its determination, review and implementation and, where applicable, the role of the Appointments, Remuneration and Sustainability Committee and any other committees that may have been involved.

*   *   *   *