



COMPENSATION POLICY FOR GREENERGY RENOVABLES, S.A.'S DIRECTORS FOR THE FINANCIAL YEARS 2023, 2024 AND 2025

1. INTRODUCTION

The General Meeting of Shareholders of Greenergy Renovables, S.A. ("**Greenergy**" or the "**Company**") held on 11 May 2022 approved, under item eleven on the agenda, this compensation policy for Greenergy's directors for financial years 2023, 2024 and 2025 (the "**Compensation Policy**").

The content of this Compensation Policy is detailed below, including the amendments proposed by the Board of Directors and which will be applicable, if approved by the Ordinary General Meeting of Shareholders in 2023, as from the time of approval thereof. The specific details of the amendments are set out in the mandatory report of Greenergy's Remuneration, Appointments and Sustainability Committee dated 14 March 2023 and in the report of Greenergy's Board of Directors dated 22 March 2023. Both reports will be made available to shareholders on the Company's website.

In the event that the aforementioned amendments are approved by the Company's General Meeting of Shareholders, the wording of this Compensation Policy shall fully replace the content approved at the aforementioned Ordinary General Meeting of 2022, without prejudice to the effects produced and consolidated during its term of validity.

2. REGULATORY FRAMEWORK

Sections 529.s17 and 529.18 of Royal Legislative Decree 1/2010, of 2 July, approving the Joint Stock Companies Act (the "**Joint Stock 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, in accordance with section 529.19 of the Joint Stock Companies Act, the directors' compensation policy shall be approved by the General Meeting of Shareholders at least once every three years as a separate item on the agenda. This section also establishes that any amendment or replacement of the directors' compensation policy requires prior approval from the General Meeting of Shareholders in accordance with the procedure provided for approval thereof. In addition, the proposed compensation policy applicable to the Board of Directors must be substantiated and accompanied by a specific report delivered by the Appointments and Remuneration Committee. Both documents must be made available to shareholders on the Company's website as from the call of the General Meeting, and shareholders 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 THE COMPENSATION POLICY

The main purpose of the Compensation Policy is to ensure that the remuneration received by the directors is in reasonable proportion to the importance of the Company, to the financial conditions of the Company at any given time and to the market standards of comparable companies both at national and international level.

In addition, the Compensation Policy is aimed at promoting profitability for Greenergy and its shareholders and the long-term sustainability of the Company, as well as at adopting the necessary precautions to discourage excessive risk-taking and the rewarding of unfavourable results. To this end,

the objective of the Remuneration Policy is to ensure that directors' remuneration is related to the professional performance of their beneficiaries so that it the policy actually rewards their activity and commitment to the Company, without exclusively depending on other circumstances such as the general evolution of the markets or of Greenergy'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.

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

The Compensation Policy, together with the proposed amendment thereto, is a continuation of the previous compensation policy applied to directors of the Company.

4. REMUNERATION OF COMPANY DIRECTORS

4.1. General compensation structure.

This Compensation Policy distinguishes the remuneration to be received by the executive director of the Company from that to be received by external or non-executive directors. The executive director shall only receive remuneration for the exercise of his executive duties and not merely because of his director status.

The compensation payable to the executive director, i.e., for the exercise of his executive duties, will consist of a fixed amount and a variable amount that will reward the achievement of certain objectives. Both the fixed amount and the variable amount will be received in cash, although it is envisaged that, at the option of the executive director, an amount not exceeding 15% of this fixed remuneration will be received in kind, through the use of a car.

Variable compensation shall not exceed 150% of the annual fixed remuneration and shall be based on the achievement of objectives combining the principles of obtaining a return that is appropriate to the business, the long-term sustainability of the Company, the adoption of the necessary precautions to discourage excessive risk-taking and the rewarding of unfavourable results, as well as the Company's contribution to sustainability.

The compensation received by external or non-executive directors shall be fixed and shall be paid in cash. In particular, remuneration shall consist of a basic cash compensation for performing director duties, as well as allowances for membership of Board Committees, the chairmanship thereof or the position of coordinating director.

The maximum aggregate amount of annual remuneration for all directors in their capacity as such shall be 600,000 euros. This amount 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 Compensation Policy, this amount shall be increased by 12% for each new non-executive director that results in an increase in the number of members of the Board.

All amounts provided for in this Remuneration Policy are intended to apply during the first year of implementation of this policy, i.e. 2023. However, in each financial year the amounts will be updated according to the annual variation of the CPI as of December 2023.

A detailed description of the above structure is given below:

4.2. Remuneration of the executive director, i.e., for performing executive functions.

As of this date, the Chairman and Chief Executive Officer of the Company and, consequently, its chief executive officer, is the only member of the Board of Directors who performs executive functions in the Company.

4.2.1. Remuneration of directors.

The Board of Directors, following a report from the Appointments, Remuneration and Sustainability Committee, is responsible for setting the specific remuneration of the executive director for performing executive duties, as well as the terms and conditions of his contract with the Company, in accordance with the provisions of section 249.3 of the Joint Stock Companies Act and this Compensation Policy approved by the General Meeting of Shareholders.

The remuneration payable to the executive director shall consist of a fixed compensation and variable compensation.

(i) Fixed compensation.

The fixed annual compensation payable to the executive director for performing his executive duties is 90,000 euros, although, at the option of the executive, it is expected that an amount not exceeding 13,500 euros (15% of this fixed compensation) may be paid in kind, through the use of a car.

(ii) Variable compensation.

The annual variable compensation of the executive director for performing his executive duties shall consist of a monetary amount not exceeding 150% of his fixed annual gross salary. This shall be linked to the achievement of two types of objectives:

- a) Corporate operational objectives set by the Board of Directors in relation to the business plan and the ESG action plan, accounting for 90% of the objectives included the executive director's variable remuneration. These targets will include the following four objectives:
 - (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) Specific objectives linked to the function of executive director related to aspects of corporate governance, accounting for 10% of the objectives included the executive director's variable remuneration.

The specific variable remuneration shall be determined by the Board of Directors once it has drawn up the accounts for the financial year to which the remuneration relates. For such a decision to be made, the Audit Committee must determine that the objectives set out in sections a) (1), (2) and (3) above have been met. On the other hand, the Appointments, Remuneration and Sustainability Committee must assess 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 compliance with the objectives, in the following circumstances:

- If the Group's consolidated accounts show losses or an unexpected decrease in profit,
- Breaches of the Company's Code of Ethics by the relevant director,
- Indictment or investigation of a director in criminal proceedings, or
- Indictment or investigation of a director in criminal proceedings, or
- Risk of insolvency of the Company.

4.2.2. Terms of the contract with the executive director.

In no case shall the contract include severance pay for dismissal of the executive director that exceeds what he/she would be entitled to receive if he/she was employed under an ordinary permanent employment contract, with a maximum of two annual payments of annual compensation. Furthermore, this indemnity shall not be paid until the Company has been able to verify that the director has met all previously-established performance criteria.

The executive director's contract shall be permanent and shall generally provide for an exclusive commitment, without prejudice to any other authorised activities performed in the interest of the group or any other activities such as the administration of personal assets or responsibilities in the Company's own businesses or in family or group companies, provided that they do not hinder fulfilment of the duties of diligence and loyalty inherent to his/her position or involve any conflict with the Company. No post-contractual non-competition clauses are provided in this contract either, although such a clause may be established in the event that new executive directors should join the Board, with remuneration then reaching up to 75% of the fixed annual compensation during the period of non-competition.

The executive director's contract shall include a clause allowing the Company to claim reimbursement of the variable items of remuneration if payment has not been in line with performance conditions or when these items were paid on the basis of data subsequently proven to be inaccurate (*clawback* clause) within three years from the recognition of the corresponding variable remuneration.

The contract shall provide for a six-month notice clause both for termination of the relationship by the executive director and for termination of the relationship by the Company.

4.3. Compensation payable to external or non-executive directors.

The maximum amount of annual remuneration for all directors in their capacity as such shall be 600,000 euros, which shall remain unchanged in subsequent years until the General Meeting agrees to fix 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 functions and responsibilities assigned to each of the directors in connection with their membership of Board Committees, their chairmanship of the same or their position as coordinating directors.

The following items are covered:

- a) A maximum fixed annual gross amount in cash for membership of the Board of Directors for each non-executive director of 54,000 euros.
- b) An additional fixed annual amount in cash related to membership of the Board of Directors' Committees. An annual amount of 13,500 euros is established for membership of the Audit Committee and 11,250 euros for membership of the Appointments, Remuneration and Sustainability Committee. The chairperson of the Audit Committee shall receive 22,500 euros and the chairman of the Appointments, Remuneration and Sustainability Committee shall receive 18,000 euros.
- c) The co-ordinating director shall receive additional remuneration amounting to 6,750 euros.

4.4. Social security systems.

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

4.5. Liability insurance.

The Company may take out directors' and officers' liability insurance, the premium for which may not exceed 50,000 euros.

5. COMPENSATION POLICY APPLICABLE TO NEW DIRECTORS

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

6. CONSIDERATIONS ON THIS COMPENSATION POLICY.

This Compensation 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, which seeks 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 compensation and employment conditions of the Company's employees have been taken into account.

The Compensation Policy discloses any deferral periods and provides for the possibility for the Company to demand the reimbursement 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 their determination, review and implementation, including measures to avoid or manage conflicts of interest and, if applicable, the role of the Appointments, Remuneration and Sustainability Committee and any other committees that may have been involved therein.
