

REPORT ON THE FUNCTIONING OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS OF GREENERGY RENOVABLES S.A. FOR THE 2022 FINANCIAL YEAR

I.- INTRODUCTION

In accordance with the provisions of Recommendation 6 of the Good Governance Code of Listed Companies and Article 31 of the Regulations of the Board of Directors of GREENERGY RENOVABLES S.A. (hereinafter GREENERGY or the Company), this Committee Operating Report is prepared for the 2022 financial year.

II.- REGULATION OF THE COMMISSION.

The current Nomination and Remuneration Committee was established by a resolution of the Board of Directors dated 15 November 2019 prior to the Company's acquisition of listed company status in December 2019.

The GREENERGY Appointments and Remuneration Committee is regulated by article 28 of the Company's Articles of Association and article 31 of the Board of Directors' Regulations.

GREENERGY's corporate rules, including the rules indicated in the previous paragraph, are published on the Company's corporate website at the following link: <https://greenergy.eu/normas-corporativas/>.

III.- COMPOSITION OF THE COMMISSION.

Pursuant to article 28 of the Articles of Association, the Nomination and Remuneration Committee shall be composed of at least three directors appointed by the Board of Directors, all of whom must be non-executive directors. The Chairman of the Committee must be an independent director. Article 31 of the Board Regulations sets the maximum number of members of the Committee at five and establishes that the majority of them must be independent.

The composition of the Nomination and Remuneration Committee as at 31 December 2022 (with no changes having occurred between then and the date of this report) is as follows:

| Councillor | Cargo | Typology | Date of first appointment as director | Date from appointment as member of the commission |
|-----------------------------------|-----------|-------------|---------------------------------------|---|
| Ms Ana Peralta Moreno | Vocal | Independent | 27-06-2016 | 15.11.2019 |
| Mr Nicolás Bergareche Mendoza | Vocal | Independent | 27-06-2016 | 15.11.2019 |
| Ms Rocío Hortigüela Esturillo | President | Independent | 15-11-2019 | 15.11.2019 |
| Ms María Merry del Val Mariátegui | Vocal | Sunday | 29-06-2021 | 27-07-2021 |

The professional profiles of the above directors can be consulted on the corporate website at the following link: <https://grenergy.eu/organos-de-gobierno/>

The Secretary of the Appointments and Remuneration Committee is the Secretary of the Board of Directors. Until 16 November 2022, Mr Florentino Vivancos Gasset has been the Secretary of the Board of Directors, as he is the Secretary of the Board of Directors. As of 16 November 2022, the Secretary of the Board of Directors is Ms. Lucía García Clavería.

IV. FUNCTIONS AND TASKS PERFORMED BY THE COMMISSION.

The responsibilities and duties assigned to the Appointments and Remuneration Committee are set out in article 31 of the Board of Directors' Regulations. Without prejudice to any other duties that may be assigned to it by the Board of Directors, article 31 of the Board of Directors' Regulations in its version in force during the entire financial year 2022 established the following duties of the Committee:

1. Assess the skills, knowledge and experience required to sit on the Board of Directors. To this end, it shall define the functions and aptitudes required of the candidates to fill each vacancy and assess the time and dedication necessary for them to perform their duties properly.
2. Organise and coordinate the periodic evaluation of the Board, as well as, where appropriate, that of the chief executive of the Company.
3. Establish a target for representation of the under-represented sex on the board and develop guidance on how to achieve this target.
4. To submit to the Board of Directors proposals for the appointment of independent directors for appointment by co-option or for submission to the decision of the General Meeting of Shareholders, as well as proposals for the re-election or removal of such directors by the General Meeting.
5. Report on proposed appointments of the remaining Directors for appointment by co-option or for submission to the decision of the General Shareholders' Meeting, as well as proposals for their re-election or removal by the General Shareholders' Meeting.

6. Examine and organise the succession of the Chairman of the Board and the chief executive of the Company and, where appropriate, make proposals to the Board for such succession to take place in an orderly and planned manner.
7. To report on proposals for the appointment and removal of senior management and the Secretary and the basic terms of their contracts.
8. Propose to the Board the members of each of the Committees that are set up, in accordance with the provisions of these Regulations.
9. Propose to the Board of Directors the remuneration policy for Directors and general managers or those who perform senior management functions reporting directly to the Board of Directors, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive Directors, ensuring compliance therewith.
10. Propose to the Board of Directors the basic conditions of the contracts of Senior Executives.
11. Verify compliance with the remuneration policy established by the Company.
12. Periodically review the remuneration policy applied to Directors and Senior Executives, including share-based remuneration schemes and their application, and ensure that their individual remuneration is proportionate to that paid to other Directors and Senior Executives of the Company.
13. Ensure that any conflicts of interest do not impair the independence of the external advice given to the Appointments and Remuneration Committee.
14. Verify the information on directors' and senior management remuneration contained in the various corporate documents, including the Annual Report on Directors' Remuneration.
15. Propose to the Board of Directors for its approval a policy for the selection and diversity of directors and verify compliance with this policy on an annual basis, reporting on it in the Annual Corporate Governance Report.
16. Supervise compliance with the Company's policies and rules on environmental, social and corporate governance matters, as well as with the Internal Codes of Conduct and corporate governance. For these purposes, the Appointments and Remuneration Committee shall be specifically attributed the following minimum functions:
 - a) Supervising compliance with the company's corporate governance rules and internal codes of conduct, and ensuring that the corporate culture is aligned with the company's purpose and values.
 - b) The evaluation and periodic review of the corporate governance system and of the company's environmental and social policy, in order to ensure that

fulfil their mission to promote the social interest and take into account, as appropriate, the legitimate interests of other stakeholders.

- c) Monitoring that the company's environmental and social practices are in line with the strategy and policy.
- d) Monitoring and evaluation of stakeholder engagement processes.

17. Propose to the Board of Directors any other matters it deems appropriate in matters within its sphere of competence.

Section VI of this Report describes the most significant activities carried out by the Committee during the 2022 financial year in relation to the functions and tasks described above.

V. MEETINGS HELD BY THE COMMISSION AND ATTENDEES AT THE MEETINGS.

The Appointments and Remuneration Committee, in accordance with the agenda it approved at the end of the financial year 2021, held the following meetings during the financial year 2022:

- 18 February 2022
- 14 March 2022
- 5 April 2022
- 16 June 2022
- 4 July 2022
- 21 October 2022
- 14 December 2022

The meetings are planned by the Chairman of the Nomination and Remuneration Committee in accordance with an agenda agreed at the end of the previous year by all directors, taking into account the planning of the board of directors, the publication of certain reports and other relevant issues affecting the operation of the company.

The meetings have lasted between forty-five minutes and four and a half hours, with an average of three hours, with members dedicating an adequate number of hours to the study and analysis of the issues to be discussed.

Attendance is checked at the beginning of each meeting and recorded in the relevant minutes. All meetings have always been attended by all members of the committee. In addition, the meetings have been attended when required by different members of the company's team, in particular the human resources managers, the director of strategy and capital markets and the head of ESG.

At all meetings of the Appointments and Remuneration Committee, the various matters submitted for its deliberation and, where appropriate, decision are dealt with in due depth.

The deliberations of the Committee and the agreements and decisions adopted by it are documented in the corresponding minutes of each meeting.

With regard to the rules governing the constitution and adoption of resolutions of the Appointments and Remuneration Committee, it is validly constituted with the attendance, directly or by proxy, of at least half of its members, and adopts resolutions by a majority of those present. In the event of a tie, the Chairman shall have the casting vote.

Finally, as mentioned above, relations 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 Chairman of the Committee reports to the Board of Directors, at each of its meetings, on the main matters dealt with and on the activities and work carried out by the Committee, and proposes to the Board of Directors of the Company, in those cases where this is required, the adoption of the relevant resolutions.

VI. SIGNIFICANT ACTIVITIES CARRIED OUT BY THE COMMISSION.

At its meetings, the Appointments and Remuneration Committee deals with issues arising from legal requirements and the recommendations of the Code of Good Governance, as well as matters of interest to it that fall within its remit. The most significant activities carried out by the Committee during financial year 2022 with respect to GREENERGY are detailed below:

Appointment of Directors, Secretary and senior managers

- Analysis of the proposals for the appointment of the Secretary of the Board of Directors and a favourable report on the appointment of the Secretary of the Board of Directors.
- Profile analysis and favourable report on the appointment of senior managers.

Evaluation of the council.

- It organised the internal evaluation of the Board of Directors, the Committees, the Chairman, the Lead Director and the Secretary and analysed the results.

Equality policy.

- Reviewing the implementation of the equality plan within the company
- Pay gap assessment and pay transparency plan in the company.

Remuneration of directors and executives.

- It has supervised the application of the directors' remuneration policy and has specifically reported favourably on the determination of the variable remuneration of the directors for the financial year 2021 and on the setting of the objectives for the determination of this remuneration in the financial year 2022.
- Proposed amendment of the Directors' Remuneration Policy for the financial years 2020, 2021 and 2022 for the latter financial year and report thereon.
- Proposal of and report on the directors' remuneration policy for the financial years 2023, 2024 and 2025.
- Supervision of the objectives for determining the remuneration of senior management during the 2022 financial year.
- It has verified compliance with the remuneration policy for senior management for the financial year 2021.
- It has reported favourably on the granting of stock options under the 2019-2023 Stock Option Plan in favour of senior executives and employees of the Company.

Conflicts of interest.

- Definition of the reference framework for delimiting conflicts of interest of directors.

Oversee compliance with environmental, social and corporate governance policies and rules.

- It has reported favourably on the approval by the Board of the Annual Corporate Governance Report and the Directors' Remuneration Report for the financial year 2019.
- It approved the report on its activities during the financial year 2021 for the General Meeting.
- Review of the sustainability report for the financial year 2021.
- Proposed ESG Action Plan 2022 and its follow-up.
- Review and implementation of standards to improve corporate governance.

Others.

- Proposal of specific training actions for directors during the 2022 financial year.
- Formulation of a training plan for the Council for the financial year 2023.

- Approval of its agenda for the financial year 2022.
- Review of the information made available to the Annual General Meeting held in the financial year 2022.

VII. EVALUATION OF THE FUNCTIONING AND PERFORMANCE OF THE COMMISSION.

During the last four months of the financial year 2022, the Appointments and Remuneration Committee carried out its own evaluation of its functioning, number, frequency and duration of meetings, participation of its members, composition, documentation and treatment of certain matters within its competence.

This evaluation shows that the committee is well composed and functions properly and that it fulfils the functions assigned to it.

The Council was briefed by the Commission on the results of the evaluation.

VIII. CONCLUSIONS.

As shown above, throughout the 2022 financial year, the Appointments and Remuneration Committee has analysed and examined the main issues and aspects within its remit, reporting periodically on the most relevant issues to the Company's Board of Directors.

For the financial year 2023, the Appointments and Remuneration Committee plans to continue reviewing and monitoring the situation of all matters within its remit, in accordance with its Agenda of meetings approved at the end of the financial year 2022.

IX. DATE OF FORMULATION AND ADOPTION OF THE REPORT.

This report is issued and approved by the Nomination and Remuneration Committee on 26 January 2023 and approved by the Board of Directors of GREENERGY on 31 January 2023.