**REMUNERATION POLICY**
**OF THE MEMBERS OF THE BOARD OF DIRECTORS OF**
**SOLTEC POWER HOLDINGS, S.A.**

16 May 2022

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## 1. BACKGROUND AND SCOPE OF THE REMUNERATION POLICY

This document sets out the remuneration policy applicable to the members of the Board of Directors of Soltec Power Holdings, S.A. ("**Soltec Power**" or the "**Company**"), in compliance with the legal requirements established by the restated text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010 of 2 July, in force (the "**Spanish Companies Law**") (hereinafter, the "**Remuneration Policy**").

The Remuneration Policy has been prepared taking into account the Company's size and economic situation, market standards for comparable companies and the time devoted by the Company's directors. The remuneration set out below strikes a suitable balance and promotes the long-term profitability and sustainability of the Company, featuring the necessary mechanisms to avoid excessive risk-taking or rewarding poor performance and ensuring that the interests of the directors are aligned with those of the Company and its shareholders, without compromising the Directors' independence.

## 2. TERM OF THE REMUNERATION POLICY

In accordance with the provisions of art. 529 novodecies of the Spanish Companies Law, the Remuneration Policy shall apply as from its approval by the General Shareholders Meeting and during the current financial year 2022 and the following three financial years (i.e. 2023, 2024 and 2025).

Notwithstanding the above, the General Shareholders Meeting of Soltec Power may resolve to amend or replace this Remuneration Policy at any time during this period upon the proposal of the Board of Directors with the favourable report of the Appointments and Remuneration Committee.

## 3. PURPOSE OF THE REMUNERATION POLICY

The purpose of the Remuneration Policy is to define and govern the Company's remuneration practices in relation to its directors, contributing to the creation of value for its shareholders in a sustainable manner over the long term.

With that in mind, the Remuneration Policy establishes a remuneration scheme suited to the dedication and responsibilities assumed by the directors, and is applied in order to attract, retain and motivate the members of the Board of Directors of Soltec Power, all with the aim of engaging people with the appropriate professional profiles to contribute to the achievement of Soltec Power's strategic objectives.

## 4. GUIDING PRINCIPLES AND CRITERIA FOR REMUNERATION POLICY

In order to have a sound corporate governance structure in place, Soltec Power has considered it appropriate to establish clear principles in this area and specifically in the area of Remuneration Policy to ensure that the remuneration strategy approved by the Board of Directors is implemented in accordance with the Company's own strategy. To this end, the Remuneration Policy shall be governed by the following principles:

### 4.1 GUARANTEEING INDEPENDENT JUDGEMENT

Remuneration shall be structured so as not to compromise the independent judgement of non-executive directors.

### 4.2 ATTRACTING AND RETAINING THE BEST PROFESSIONALS

Remuneration shall be competitive enough to attract and retain the talent the Company needs to create value and deliver its strategic objectives.

### 4.3 BUSINESS STRATEGY AND LONG-TERM INTERESTS AND SUSTAINABILITY

Remuneration must contribute to the Company's business strategy and interests, promoting the profitability and sustainability of the Company as well as the achievement of its values and objectives, all in the long term. The necessary precautions must be taken to avoid excessive risk-taking and rewarding poor performance. In particular, the remuneration system shall include limits and safeguards to ensure that variable remuneration reflects the professional performance of the beneficiaries and not simply the general progress of the markets or the Company's sector.

### 4.4 TRANSPARENCY

The Remuneration Policy and the specific rules stemming therefrom shall be clear and well communicated.

### 4.5 FAIR AND PROPORTIONATE COMPENSATION

Remuneration should be fixed taking into account the dedication, skills and responsibility brought to the position, as well as the experience, functions and duties performed by each director. In addition, remuneration should maintain a balance between market competitiveness and internal fairness.

## 5. REMUNERATION OF DIRECTORS IN THEIR CAPACITY AS SUCH

The Articles of Association provide that Company directors shall be remunerated. The Remuneration Policy aims to remunerate the members of the Board of Directors for their capacity as such, i.e. for oversight duties and collective decision-making within the Board of Directors, and for membership of Board committees. Their remuneration should be appropriate and sufficiently compensate them for their dedication, abilities and responsibilities, but without compromising their independence of judgement..

In this regard, Soltec Power has adopted this Remuneration Policy, under which all directors are entitled to receive remuneration for the performance of their supervisory and collective decision-making duties, i.e. for their membership of the Board of Directors and, where appropriate, as members of Board committees.

Pursuant to the Articles of Association, the remuneration of directors in their capacity as such shall consist of a fixed annual cash allowance. It is also provided that directors may also be remunerated by the delivery of shares, or by the delivery of share options or by remuneration linked to the value of the shares, provided that the application of any of these remuneration systems is previously approved by the General Shareholders Meeting.

Furthermore, also in accordance with the Articles of Association, the total amount of remuneration that may be paid by the Company to all its directors in their capacity as such shall not exceed the amount determined for this purpose by the General Shareholders Meeting. The amount thus set by the General Shareholders Meeting shall be maintained until such time as it is amended by a new resolution of the General Shareholders Meeting, in accordance with the provisions of applicable law. Based on the maximum annual amount set and approved by the General Shareholders Meeting, the specific determination of the amount corresponding to each of the directors in their capacity as such, the frequency and form of payment, within the framework of the Articles of Association and the Remuneration Policy, shall be the responsibility of the Board, following a report from the Appointments and Remuneration Committee. The Remuneration Policy shall establish the criteria for their distribution, taking into account the functions and responsibilities attributed to each one of them.

Lastly, the Company shall borne the premium for director liability insurance policies, on usual market terms and proportional to the Company's circumstances.

### 5.1 MAXIMUM ANNUAL AMOUNT OF DIRECTOR REMUNERATION

The maximum annual remuneration to be received by the members of the Board of Directors in their capacity as such amounts to 339,000 euros. This maximum amount shall remain the same until the General Shareholders Meeting determines otherwise.

This limit does not include: (a) any salary, compensation of any nature or payment otherwise made for the performance of the executive duties of the chief executive officers and other directors to whom executive duties are attributed by virtue of other titles, in accordance with the Articles of Association and, in any event, the Remuneration Policy and the contracts entered into between directors and the Company and approved by the Board in accordance with the provisions of the Spanish Companies Law; (b) payments of the premia for civil liability insurance taken out by the Company for its directors; and (c) any reimbursement of out-of-pocket expenses incurred by directors in attending meetings of the Board or any of its committees.

### 5.2 FIXED ANNUAL REMUNERATION

The Board of Directors shall be responsible for distributing the maximum annual amount among its members and for this purpose shall establish the criteria for determining the remuneration of each director for their capacity as such in accordance with duties and responsibilities allocated to eachof them, taking into account the following:

– The category of director.

– The role played by the director on the Board of Directors and on any of its committees.

– The specific duties and responsibilities undertaken during the year.

– The experience and knowledge required to perform such duties.

– The amount of time and dedication required to fulfil such duties.

Specifically, of the amount set in section 5.1, the Board of Directors has decided on the following amounts to be paid as a fixed annual allowance:

a) Allowance for membership of the Board of Directors: 30,000 euros.

b) Additional allowance for the position of co-ordinating director: 10,000 euros.

c) Additional allowance for chairing the Audit Committee: 30,000 euros.

d) Allowance for membership of the Audit Committee: 5,000 euros.

e) Additional allowance for chairing the Appointments and Remuneration Committee: 30,000 euros.

f) Allowance for membership of the Appointments and Remuneration Committee: 5,000 euros.

g) Additional allowance for chairing the Sustainable Development Committee: 20,000 euros.

h) Allowance for membership of the Sustainable Development Committee: 3,000 euros.

i) Additional allowance for the secretariat of the Board of Directors: 30,000 euros.

The remuneration system, as well as the remuneration details, shall be given annually in the corresponding Annual Report on Directors' Remuneration.

## 6. DIRECTORS' REMUNERATION FOR THE PERFORMANCE OF EXECUTIVE FUNCTIONS

Directors who perform executive functions shall be entitled to receive remuneration for discharging such duties as provided for in the contracts entered into for such purpose between each director and the Company. The Board of Directors, following a report from the Appointments and Remuneration Committee, is responsible for setting the remuneration of directors for the performance of executive duties, and within the framework of the Remuneration Policy and the director`s contractual conditions. The Board of Directors is also responsible for approving, with the legally required majority, the contracts of the Company's executive directors, which must comply with the Remuneration Policy approved by the General Shareholders Meeting.

As at the date of this Remuneration Policy, only one member of the Board of Directors holds executive functions (the "**CEO**").

### 6.1 FIXED ANNUAL REMUNERATION

Fixed remuneration will be determined in accordance with the responsibility, hierarchical position and experience of each executive director, considering the specific features of each function and the dedication required; all of this is in order to set a base salary that is competitive enough to attract and retain talent that contributes to the creation of value.

The CEO shall be entitled to receive a fixed annual remuneration of 190,038 euros.

### 6.2 VARIABLE REMUNERATION

Only the CEO receives variable components as part of his/her remuneration. The variable remuneration of the CEO will be paid partly in cash (annual bonus) or through the delivery of shares (multi-year bonus), depending on professional performance and the achievement of pre-set targets in order to assess the creation of value for the Company.

In order to foster the achievement of financial targets and the alignment of long-term interests of the CEO, management and key employees of the Company, the CEO is allowed to participate as a beneficiary in the long-term incentive plans implemented by the Company. Variable remuneration is based on the principles of the Remuneration Policy described above and will take into account the elements described below.

Specifically, the CEO may participate in the Company's Long-Term Incentive Plan (the "**Incentive Plan**"), which is intended to retain, compensate and motivate participants and to enable them to be part of the Company's value creation through the possibility of receiving, where applicable, a cash amount and a number of Soltec Power shares (the "**Scheme Shares**"), subject to the achievement of certain targets and to the beneficiary's remaining with the Company.

The Board of Directors approved the allocation of a maximum total financial amount of the Incentive for the entire Incentive Plan (the "**Incentive**"), which takes the form of an annual allocation for each year of validity. In this respect, the CEO is entitled to receive a cash amount and a number of shares in the Company under the Incentive Plan. The number of shares will be calculated on the basis of converting the reference cash amount into ordinary shares of the Company at the price of the initial public offering preceding the admission to trading of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges in October 2020. This price was 4.82 euros per share.

The maximum incentive that may accrue to the CEO during the entire Incentive Plan will amount to 915,056 euros (four annual payments of 228,764 euros), of which up to a maximum of 30% of said amount (with a cap of 30,000 per annum) may be received in cash and up to a maximum of not less than 70% of such amount (which may be increased by the portion of the cash amount in any of the three annual vesting periods in excess of such limit of 30,000 euros per annum) may be received in Soltec Power shares. Accordingly, the CEO may receive a maximum of 120.35% of his total fixed remuneration during the term of the Incentive Plan as annual bonus (in cash) and multi-year bonus (in shares), assuming a market value for the Soltec Power shares delivered to the CEO equivalent to the price set in the initial public offering preceding the Company's listing on the exchange.

The Incentive Scheme came into force on 1 January 2021 and will run for four years.

Three Vesting Periods are established:

- The first Vesting Period shall begin on 1 January 2021 and end on 2 January 2023. The Incentive that may be paid to the CEO at the end of this Vesting Period shall not exceed 42.5% of the Incentive to which he/she is entitled (with the proportion of the Incentive settled in cash not exceeding 7.5% of the Incentive and not exceeding EUR 30,000).
- The second Vesting Period shall begin on 3 January 2023 and end on 4 January 2024. The Incentive that may be paid to the CEO at the end of this Vesting Period, which shall be settled

entirely in cash, shall not exceed 7.5% of the Incentive to which he/she is entitled, and with a cap of 30,000 euros.

- The third Vesting Period shall begin on 3 January 2023 and end on 4 January 2025. The Incentive that may be paid to the CEO at the end of this Vesting Period shall not exceed 42.5% of the Incentive to which he/she is entitled (with the proportion of the Incentive settled in cash not exceeding 7.5% of the Incentive nor EUR 30,000).

The Incentive shall only vest when the vesting conditions and criteria are met at the expiry of each Vesting Period, which shall be (i) the participant's employment tenure status, and (ii) the performance conditions: (a) the CEO achieves a minimum rating of 3.5 in the performance appraisal conducted in each Performance Period (the "**Performance Appraisal**"); (b) the CEO achieves 75% of the annual individual and area targets defined in each Vesting Period under the "**Target-Based Appraisal**"; and (c) the annual achievement of three performance criteria: "**Total Shareholder Return**", "**Adjusted EBITDA**" and the "**ESG Indicator**".

The final Incentive to be paid to the CEO at the end of each Vesting Period shall be:

- Zero if he/she does not pass the Performance Appraisal or the Target-Based Appraisal;
- Equal to the maximum allocation that may be granted during such Vesting Period, multiplied by an Overall Allocation Rate, equal to the weighted average of the "**Total Shareholder Return Allocation Rate**" (50%), the "**Adjusted EBITDA Allocation Rate**" (25%) and the "**ESG Allocation Rate**" (25%), as defined in the Incentive Plan, and calculated annually on the basis of Total Shareholder Return, Adjusted EBITDA, and the ESG Indicator set by the Board of Directors, respectively.

  The Incentive Plan establishes for each metric a minimum threshold of 85% below which the Incentive Plan will not vest in respect of that particular metric, a level corresponding to a performance of 85 to 95% (not included), 95 to 100% (not included), 100 to 110% (not included), and a level corresponding to a maximum performance equal to or greater than 110%. For the ESG Indicator, performance is consolidated at a level of 85 to 100% (not included).

The Board, at the proposal of the Appointments and Remuneration Committee, may also approve the total or partial cancellation (*malus*) and/or recovery (*clawback*) of the Incentive if (i) the Company's financial statements are restated; (ii) the final Incentive has been calculated on the basis of data that subsequently proves to be inaccurate and results in a lower variable remuneration to be paid; (iii) for serious non-compliance by the CEO with internal rules and policies; and (iv) if the Company suffers significant losses which are due to material failures in risk management, to which wilful or grossly negligent conduct has contributed. Cancellation (*malus*) may be applied by the Board of Directors during the Deferral Period and *clawback* may be applied by the Board of Directors during the 12 months following payment of the Scheme Shares.

### 6.2.1 Rules concerning variable cash remuneration

In each Vesting Period, a maximum of 7.5% of the Incentive may be accrued with a cap of 30,000 euros as annual variable remuneration to be paid in cash (the "**Cash Incentive**"). 30,000 up to 7.5% of the Incentive will form part of the Incentive to be delivered in Scheme Shares at the end of the relevant Vesting Period.

The Cash Incentive Deferral Period shall be 120 days from the end of each Vesting Period.

### 6.2.2 Rules on variable share-based remuneration

The maximum number of Incentive Shares that may be allocated to the CEO under the Incentive Plan will be 138,292 shares, of which 69,146 shares will vest in the First Vesting Period and 69,146 shares will vest in the Third Vesting Period. These numbers of shares may be greater where annual cash awards pursuant to the Cash Incentive exceed the EUR 30,000 cap and thus are converted into shares at the price of the initial public offering preceding the listing of Soltec Power on the exchange and settled in shares.

Delivery of the final Incentive will occur as a general rule at the end of a 365-day deferral period commencing on the day after the expiry of each applicable Vesting Period (the "**Deferral Period**").

The CEO undertakes to maintain ownership (directly or indirectly through subsidiaries) of a number of shares, options or other financial instruments corresponding to the remuneration systems such that he maintains an economic exposure to changes in the price of the Company's shares equivalent to at least twice his annual fixed remuneration.

The Board may choose to pay all or part of the incentive in the form of a cash payment, (i) when the Company does not hold sufficient treasury shares to deliver the Scheme Shares; or (ii) in the event of a Winding-up of the Company, without being subject to the Deferral Period, which shall be when the following occurs: (a) the winding-up of the Company, (b) the acquisition of the Company by means of a takeover bid or a sale of shares in the Company resulting in the taking of a controlling position by any third party (as defined in Royal Decree 1066/2007 of 27 July), or (c) a structural modification transaction involving a company that does not belong to the Company's group.

### 6.2.3 Other medium- and long-term incentives

Without prejudice to the above, the CEO shall be entitled to participate in all medium and long-term incentive plans that the Company may decide to implement from time to time.

## 6.3 OTHER REMUNERATION ITEMS AND REMUNERATION IN KIND

The CEO may be entitled to receive other remuneration items and certain remuneration in kind, including a pension plan, medical insurance, life insurance and a company car, up to a maximum of 33,000 euros per annum for the term of the policy.

## 6.4 MAIN TERMS AND CONDITIONS OF EXECUTIVE DIRECTORS' CONTRACTS

The key terms and conditions of the agreement entered into between the Company and the CEO are as follows:

(i) Term: indefinite, terminating in accordance with the provisions of commercial legislation, the Articles of Association and section (v) below.

(ii) Remuneration:

- Fixed remuneration: the CEO shall be entitled to receive the amount of 190,038 euros as fixed annual remuneration.
- Multi-year remuneration: the CEO shall be entitled to participate in the Incentive Plan and in the medium and long-term incentive plans that may be established from time to time by the Board of Directors of the Company for the Company's management team.
- Remuneration in kind: company car (including the cost of leasing or as applicable, insurance, repairs and vehicle maintenance), pension plan, life insurance policy and a private medical insurance policy.

(iii) Minimum tenure commitment: the contract must remain in force for at least 4 years from the date on which the Company's shares are admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Spanish Stock Exchange Interconnection System (SIBE). In this regard, in the event that the CEO terminates his contract with the Company without just cause before the end of the minimum period of tenure, the Company shall be entitled to receive from him a compensation equivalent to the gross fixed remuneration to which the CEO would have been entitled to receive during the remaining part of the minimum period of tenure.

In the event that before the end of the minimum period of tenure the CEO is removed as Chief Executive Officer of the Company or his contract is terminated by the Company, the CEO shall be entitled to receive compensation equal to the gross fixed remuneration he would have been entitled to receive during the remaining time of the tenure period, with a minimum of two years' remuneration calculated as two times the last annual total remuneration received (including fixed remuneration and long-term incentive plans). This amount shall reduce euro for euro the termination compensation set out for this case in paragraph (v) below. This compensation would not apply in the case of dismissal or termination on fair grounds.

In the event of a change of control of the Company, the obligation to remain in the Company shall cease to apply.

(iv) Exclusivity agreement: the CEO must provide their services exclusively for the Company, such that they may not provide any kind of services, directly or indirectly, under any kind of legal relationship, for third parties, nor on their own account, even when the activities they perform are not concurrent with those of the Company. The discharge of management positions in companies controlled or participated by the CEO that do not require significant dedication or concur with the Company's business are carved-out from this undertaking.

However, this exclusivity commitment shall not prevent the CEO from (a) continuing to be a non-executive director of Powertis, S.A., (b) continuing to be a non-executive director of other companies (up to a maximum of ten) provided that the CEO obtains the express consent of the Board of Directors of the Company, and (c) continuing to be an executive director of its asset-holding companies (which are, as of the date of the agreement, the "non-executive directors"): Murciana de Energía Solar, S.L.U., Value Home, S.L.U., and Valueteam, S.L.) and perform the corresponding functions in those companies, provided that none of the foregoing (i) interferes with the CEO's responsibilities towards the Company, nor (ii) entails a breach of his commitment not to compete with the Company.

(v) Grounds for termination and termination benefits: The CEO's contract may be terminated on the following grounds: (i) by mutual agreement; (ii) by unilateral termination by the CEO providing three months' notice, or failing which indemnifying the Company, in the event of non-compliance, with an amount equivalent to his fixed remuneration for the current year corresponding to the notice period not complied with; (iii) at the Company's wish, for any reason whatsoever, including those set out in the Articles of Association, not related to a serious or culpable breach of the duties of the CEO, with three months' notice, on pain of indemnifying the CEO, in the event of breach, with an amount equivalent to his fixed remuneration for the current year corresponding to the notice period not complied with; (iv) a decision by the Company as a consequence of serious wilful and culpable misconduct in the exercise of the CEO's duties; and (v) a structural modification or change of control.

Termination of the CEO's contract for the reasons indicated in (iii) or (v) above will entitle the CEO to receive a severance payment equivalent to twice the last total annual remuneration received (including fixed remuneration, annual variable remuneration, long-term incentive plans and other rights and benefits), and also in the case of (ii) above, when the decision of the CEO is based on a serious or culpable breach by the Company of the obligations undertaken and relating to his position or he/she is by-passed by means of a substantial reduction of his functions or powers.

(vi) Covenant not to solicit clients and employees: during the term of the CEO's employment and for a period of two years after the termination thereof, the CEO shall not, without the prior written consent of the Company, directly or indirectly (i) solicit, induce or otherwise attempt to persuade any customer or potential customer of the Company or of the group of companies of which the Company is the parent to terminate its relationship or potential relationship with the Company, or (ii) engage or solicit, recruit, induce, persuade, influence or encourage any employee of the Company or of the group of companies of which the Company is the parent to resign from the Company.

(vii) Post-contractual non-compete agreement: during the term of his/her contract, the CEO may not directly or indirectly compete with the business or activities carried out or to be carried out by the Company for a period of one year after the termination of his contract.

The remuneration for this non-competition commitment has been taken into account and is included in the overall remuneration to be received by the CEO.

(viii) Supplementary pension or early retirement schemes: the CEO's contract provides that he will be entitled to a pension plan provided by the Company as set out in section 6.3. The main features of this long-term savings system are as follows:

(a) Policyholder: Soltec Power.

(b) Insured party: the CEO.

(c) Duration: From 00:00 hours on 24/3/2021 until the death of the CEO or until Soltec Power decides to terminate the contract.

(d) Risk and sums insured:

i. A capital sum equal to the market value of the units in which the investment is distributed in the event that the CEO is alive at the time Soltec Power decides to terminate the contract.

ii. In the event of the death of the CEO, and provided that this occurs before Soltec Power decides to terminate the contract, the insurer will pay the market value of the investment, at the opening of the death claim in the Company, with the value date depending on the contracted funds and according to a calculation table. The market value of the units of the policy funds will be increased by 300 euros.

(e) Redemption: From the second month onwards, once the premiums have been collected and valued, partial/full surrender of the premiums and outstanding contributions may be made. The redemption amount will be equal to the value of the accumulated fund according to the net asset value of the investment determined by the market value of the units in the chosen funds, without penalty.

(f) Modification: from the third month onwards, the periodicity of the premium payment, the periodic amount to be paid and the suspension, inclusion or modification of the annual revaluation of the premium may be modified.

(g) Under the policy, the policy is not linked to the achievement of certain targets or benchmarks related to the short- and long-term performance of the director.

## 7. REMUNERATION POLICY APPLICABLE TO NEW DIRECTORS

The remuneration system described above shall apply to any director who joins the Board of Directors of the Company during the term of this Remuneration Policy, including any new executive director who joins the Board of Directors during the term of this Policy, adapting such system to his/her responsibility, hierarchical position and professional experience.

In this regard, by resolution of the Board of Directors and at the proposal of the Appointments and Remuneration Committee, a fixed remuneration appropriate to such characteristics shall be established, in line with the fixed remuneration of the current CEO and considering the competitive environment and the level of remuneration he/she enjoyed prior to his incorporation, also applying the variable remuneration system set forth in this Policy, and other contractual conditions applicable thereto, without the overall limits set forth in this Policy being applied for such purposes.

## 8. CONTRIBUTION TO THE COMPANY'S BUSINESS STRATEGY AND TO THE LONG-TERM INTERESTS AND SUSTAINABILITY

The Remuneration Policy contributes to the corporate strategy and to the long-term interests and sustainability of the Company, as set out in section 4.3.

The CEO's remuneration contributes to the Company's business strategy and the long-term interests and sustainability as follows:

- A fixed annual remuneration, the purpose of which is to reward the CEO in accordance with his/her level of responsibility, hierarchical position and experience, setting a base salary that is competitive enough to attract and retain talent that contributes to the creation of value.
- Variable remuneration, the purpose of which is to enhance the CEO's commitment to the Company and to retain him/her, to encourage his/her professional performance, to reward the achievement of certain previously defined objectives so that he/she may form part of the Company's value creation and to establish a link between his/her remuneration and the possibility of receiving, where applicable, an amount in cash and in Incentive Shares.

  The objectives of this variable remuneration include financial and non-financial performance criteria (including CSR), such as operational performance indicators, shareholder performance and value creation, as well as *Environmental, Social and Governance* (ESG) criteria. This contributes to the business strategy and to the long-term interests and sustainability of the Company.

  In addition, the variable remuneration allows the CEO not to receive any amount if the minimum thresholds for meeting the above performance criteria are not met.

  In accordance with section 6 above, with respect to the variable remuneration of the CEO, the number of shares he is entitled to receive is calculated on the basis of the price of the ordinary shares of the Company at its IPO in 2020, thus providing an incentive for the long-term increase in the value of the share. In addition, the duration of the Incentive Scheme is for a period of four years in total.

  In addition, the delivery of the Incentive is subject to a Deferral Period (both in shares and in cash), and the CEO undertakes to maintain ownership of a number of shares, options or other financial instruments such that he maintains an economic exposure to changes in the share price equivalent to an amount of at least twice his/her annual fixed remuneration. In addition, provision is made for the Board, at the proposal of the Appointments and Remuneration Committee, to approve the total or partial cancellation (*malus*) and/or (*clawback*) of the Scheme Shares.

Finally, the involvement of the Appointments and Remuneration Committee should be noted, in accordance with the provisions of section 11.

## 9. HOW THE COMPANY'S EMPLOYEES' REMUNERATION AND EMPLOYMENT TERMS AND CONDITIONS WERE TAKEN INTO CONSIDERATION WHEN FORMULATING THE REMUNERATION POLICY

The remuneration system applicable to the CEO and its principles are aligned with those of all employees, especially with the group of executives of the Soltec Power Group, and remuneration is based on the value they contribute, sharing the following principles:

- these executives will be beneficiaries of the Incentive Plan on equivalent terms to the CEO, in order to give them the opportunity to share in the creation of value, whereby a significant part of the total remuneration of the management team is of a variable nature and its receipt is linked to the achievement of objectives consistent with the business strategy and long-term values and interests of the Company;
- their remuneration package may consist of fixed and variable components, as well as remuneration in kind and other social benefits. In any case, the fixed remuneration has a relevant weight insofar as, in certain circumstances, the variable remuneration may amount to zero;
- non-discrimination in the application of pay practices and policies is ensured. In this regard, professionals are remunerated in a manner consistent with the level of dedication, qualification and responsibility required for the position, as well as the experience, functions and tasks performed, competitive remuneration being established to attract and retain talent; and
- remuneration levels are appropriate for the Company's size and financial situation at any given time and market standards for comparable companies. In addition, provisions are included to avoid excessive risk-taking or rewarding poor performance. This also applies to the overall Remuneration Policy.

The duties of the Appointments and Remuneration Committee include the following: (i) propose to the board the remuneration policy for directors and general managers or those who perform their duties as executive personnel reporting directly to the board, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive directors, checking and ensuring compliance therewith; (ii) verify compliance with the Company's remuneration policy; and (iii) periodically review the remuneration policy applied to directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual remuneration is proportionate to that paid to other directors and senior officers. Therefore, in formulating the proposed

Remuneration Policy, the Board of Directors has taken into account the remuneration and employment conditions of the employees of the Soltec Power Group.

For the rest, an attempt has been made to apply a line of continuity, maintaining the amounts of the different remuneration elements unchanged in most cases with respect to those applied in previous years. This is consistent with the stability of the average remuneration per employee in recent years with respect to the general workforce.

## 10. TEMPORARY DEROGATIONS TO THE REMUNERATION POLICY

In the exercise of its duties, the Appointments and Remuneration Committee may propose to the Board the application of temporary exceptions to the Remuneration Policy when this is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability.

The procedure to be followed in the event of circumstances justifying the application of such temporary derogations shall be as follows: (i) the Appointments and Remuneration Committee shall issue a report assessing the circumstances and the specific remuneration that would be subject to modification; (ii) for the preparation of the report, the Appointments and Remuneration Committee may, at its discretion, use the opinion of an external third party; (iii) based on the conclusions of the report, the Appointments and Remuneration Committee shall, if necessary, make a proposal to the Board of Directors for an exceptional application.

In any case, the Company shall take into consideration the principles of section 4 and shall duly report in the corresponding Annual Report on Directors' Remuneration on the exceptional situation that has led the Board of Directors to approve the application of the temporary exception, as well as the component or components subject to such exception.

## 11. DECISION-MAKING PROCESS FOLLOWED TO DETERMINE, REVIEW AND APPLY THE REMUNERATION POLICY

The Appointments and Remuneration Committee assists the Board of Directors on matters involving remuneration in accordance as per its remit outlined in article 15 of the Board Regulations. Its duties with respect to the Remuneration Policy are described in section 9.

The General Shareholders Meeting shall have the powers assigned to it by law to determine the maximum amount of annual remuneration to be paid to all directors in their capacity as such and to approve incentive plans involving the delivery of shares. The Board shall have the powers assigned to it by law, as described in paragraphs 5 and 6.

In relation to the variable remuneration of the CEO, the Company's finance department, headed by the Chief Financial Officer, the Director of Strategy and the Director of Organisation, will make the calculations corresponding to the degree of achievement of the various targets and the Incentive to be delivered in accordance with the Incentive Plan, once the auditor's report on the last unqualified calculation period has been received. These calculations will be submitted to the Appointments and Remuneration Committee and the Sustainability Committee, which will review them and submit them to the Board of Directors for approval. The Appointments and Remuneration Committee shall propose to the Board the individual remuneration and other contractual conditions of the CEO, verifying and ensuring compliance therewith.

The Appointments and Remuneration Committee considered it appropriate to seek the advice of AON, an independent advisor specialising in the remuneration of Directors and senior executives, in drawing up the Incentive Plan, taking into account remuneration profiles in companies comparable to the Company (especially when including non-financial indicators linked to the achievement of sustainability objectives). The Company's external environment has also been taken into account when setting this Policy

Finally, the approval procedure of the Remuneration Policy has included the necessary measures to avoid or manage conflicts of interest. First, article 29 of the Board Regulations defines the cases of conflicts of interest of directors and establishes the rules governing such situations. Furthermore, the Policy has been drafted by the Appointments and Remuneration Committee, composed entirely of independent directors, and adopted without modification by the Board of Directors, without, therefore, there having been a conflict of interest situation of the CEO. In addition, the separation by the Spanish Companies Law of the power to propose the Remuneration Policy by the Board and the power to approve it by the General Shareholders Meeting avoids possible conflicts of interest of the directors as a whole in the phase of approval of the Policy. Finally, the documentation of the General Shareholders Meeting expressly states that for, among others, the item on the agenda on the approval of the Remuneration Policy, proxies in which the name of the proxy is not indicated or in favour of Directors and which do not contain express instructions shall be deemed to be granted to the Secretary of the General Shareholders Meeting.

## 12. EXPLANATIONS OF SIGNIFICANT CHANGES

The review of the Remuneration Policy has focused on the incorporation of the amendments made to the Spanish Companies Law by Law 5/2021 of 12 April on the promotion of long-term shareholder involvement in listed companies.

On the other hand, changes in the long-term variable remuneration system Incentive Plan applicable to the CEO have been introduced in the Remuneration Policy, which were approved by the Board of Directors on 16 May 2022 following a report from the Appointments and Remuneration Committee on 13 May 2022 (although its application to the CEO is subject to the approval of this Policy by the General Shareholders Meeting). These changes are mainly:

- Split the Incentive to be offered to the beneficiaries of the plan, between a cash amount and a number of Soltec Power shares, with different Vesting and Deferral Periods. In any case, most of the Incentive (no less than 70%) continues to be settled in Soltec Power shares.
- The Vesting Periods are modified, including a new one.

- This includes the price of the Company's shares in the subscription offer prior to the admission of the shares on the stock exchanges, which is the basis for calculating the number of shares to be delivered.
- As a new performance metric, a non-financial ESG indicator is included, replacing the previous financial metric "Free Cash Flow".
- A commitment is introduced for the CEO to maintain ownership (directly or indirectly through controlled companies) of a number of Soltec Power shares equivalent to two years' fixed remuneration.
- A mechanism is introduced to cancel (*malus*) and/or recover (*clawback*) all or part of the Incentive.

Since the admission to trading of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and their inclusion in the Stock Exchange Interconnection System (Continuous Market), prior to which the Remuneration Policy was approved, the Annual Directors' Remuneration Report was approved at the 2021 General Shareholders Meeting with a very large majority and without any specific comments having been received from shareholders in this regard. For this reason it has not been considered appropriate to make any changes other than the above to the Remuneration Policy.

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