

# **BOARD AND SENIOR MANAGEMENT REMUNERATION POLICY**

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Enerside Energy, S.A. ("Enerside") is a company committed to the continuous improvement of the company's internal processes, as well as to the social and environmental impacts that it generates, in all those areas and locations in which it has activity, presence and / or influence.

Enerside is a company whose economic activity focuses on the development, construction and operation of renewable electricity generation projects, mainly in South and Central America, the Caribbean and Spain. The operation is carried out directly by Enerside or by any company controlled by it in the different corporate forms legally in force ("Enerside Group"). In carrying out its activity, the Enerside Group engages with its own workers, local communities, suppliers, customers, business partners and other groups of interest. As a consequence of its business activity and its projects an impact is generated in the environment, both social, economic and environmental. One of the policy goals corporations is to improve these impacts.

The Corporate Policies contain the guidelines of good practices that govern the performance of Enerside and the companies that are part of the Enerside Group.

In application of the foregoing, the Board of Directors of Enerside is assigned the competence to design, evaluate and permanently review corporate governance and, specifically, to approve and update the Corporate Policies.

In the exercise of these responsibilities, within the framework of the law and the Company Bylaws and recognizing as key elements of its corporate governance strategy the transparency in all its actions, including the selection process of the candidates to carry out the position of director, and the diversity within the Board of Directors, approves this Remuneration Policy for the Board of Directors and Senior Management Members (the "Policy").

## **1. Purpose and basic principles**

### *1.1.- Purpose and Values*

The Purpose and Values of the Enerside group are intended to drive a culture based on ethics and a commitment to sustainable development and the creation of long-term value for all stakeholders.

This commitment presides over Enerside's daily activity, directs its leadership vocation in its different areas of action, guides its social impact strategy and guides the ethical behavior of the entire team that participates in the daily construction of Enerside's business project, beginning by its governing body.

In this sense, the ultimate purpose of the Board and Senior Management Remuneration Policy is to support the development of the Purpose and Values of the company, so that the remuneration of the administrators and senior management of Enerside is appropriate to the responsibility assumed, taking into consideration the vocation of the best practices in the environmental, social and governance areas of Enerside in the energy sector. This vocation is based on aspects such as the provision of a quality service through the use of energy sources that respect the environment,

innovation, digital transformation in its field of activity, the fight against climate change and the commitment with Enerside and with the generation of employment and wealth in its environment.

### *1.2.- Basic principles*

The Board of Directors has identified that the success in strategic decision-making and a clear commitment to corporate values constitute two of the main factors that determine the performance of companies, particularly in the energy sector: all of them can choose business, markets and similar technologies and, however, the performance of one and the other is diverse, with talent, effort, creativity, leadership and the ability to materialize the commitment to its Purpose and Values the main differentiating elements.

For this reason, the ultimate objective of this Policy, as of the other compensation programs for Enerside group professionals, is to contribute decisively to the attraction, retention, motivation and development of the best talent, in fair and competitive terms, being this the best way to contribute to the business strategy and the interests and long-term sustainability of Enerside and the Enerside group.

In this context, the basic principles governing this Policy are as follows:

- a) Adequately remunerate the dedication and responsibility assumed by the directors and members of senior management, in accordance with what is satisfied in the market in comparable companies due to their capitalization, size, ownership structure and international presence. This will be essential in order to attract and retain the best candidates.

For these purposes, the Appointments and Remuneration Committee will periodically carry out a comparative analysis ("benchmark") of the remuneration systems applicable to internationally comparable companies.

- b) Align the remuneration policy of Enerside as a whole with its Purpose and Values, with its commitment to maximizing its social dividend and shareholder profitability, as these terms are defined in the Company Bylaws, and with the achievement of the long-term sustainability of Enerside, all within the framework of the commitment that the Enerside group maintains with all its Stakeholders.
- c) Ensure that the remuneration supports the achievement of Enerside's strategic objectives.

### *1.3.- Principles of Board remuneration*

Additionally, with regard to directors, the remuneration policy for the Board and members of Senior Management shares the same principles and guidelines as the remuneration policy for all Enerside professionals: commitment to Purpose and Values, personal ethics and corporate, excellence in selection, continuous training, inclusion and gender equality, meritocracy and recognition of talent, conciliation and the relevance of the variable component of the remuneration package.

In particular, the basic principles that govern the remuneration of directors are the following:

- a) Guarantee that the remuneration, in terms of its structure and overall amount, complies with the best practices and is competitive with respect to that of comparable entities at a national and international level, considering the situation of the markets in which the group operates.
- b) Establish remuneration with objective criteria related to the group's strategy, individual performance and the achievement of business objectives.
- c) Include a significant annual variable component linked to performance and the achievement of specific, predetermined, quantifiable objectives and aligned with Enerside's corporate interest and objectives. For these purposes, the application of this Policy will consider economic, operational-industrial, environmental and long-term sustainability parameters, including those related to the energy transition, mitigation and adaptation to climate change and others related to the Development Sustainable Goals.
- d) Promote and encourage the achievement of Enerside's strategic objectives by incorporating long-term incentives, reinforcing the continuity in the competitive development of the group, its administrators and its management team, promoting a motivating and loyalty effect, as well as retention of the best professionals.
- e) Establish adequate maximum limits to any variable remuneration and adequate mechanisms so that Enerside can obtain the reimbursement of the variable components of remuneration when the payment has not been adjusted to the performance conditions or when they have been paid based on data whose inaccuracy remains subsequently accredited.

#### *1.4.- Consideration of working conditions in the Enerside group*

The Appointments and Remuneration Committee has one of its functions to periodically review the general remuneration programs for the professionals of the Enerside group, assessing their suitability and results.

In this regard, the Appointments and Remuneration Committee has taken into account in its review and updating of this Policy and, in particular, in relation to the directors, the employment conditions and remuneration levels of the Enerside group workforce, in accordance with the knowledge acquired in the exercise of the aforementioned review function.

Specifically, the Appointments and Remuneration Committee has sought that the principles of the remuneration system for directors are aligned with the general remuneration programs of the Enerside group, seeking in all cases to encourage the commitment of all the professionals of the Enerside group to the Purpose and Enerside Values, personal and corporate ethics, excellence in performance and the promotion of the strategic and sustainable development objectives of the Enerside group.

## 2. Global statutory limit on directors' remuneration

In accordance with the Bylaws, the amount that Enerside allocates annually as compensation to directors consists of two parts, one fixed and one variable, which are broken down as follows:

- Fixed Remuneration: An amount of € 48,000 gross per year is established for each Director.
- Variable Remuneration: An amount of up to € 30,000 gross per year is established for each Director based on compliance with the Business Plan in terms of renewable energy (MW) projects put into service, both their own and those of third parties.

In this regard, it should be noted that the Directors merit this right to Variable Remuneration from the completion of 50% of the Business Plan, at which time they acquire 50% of the referred remuneration. If the degree of compliance with the Business Plan increases above said percentage, the remuneration will increase directly proportionally.

This global remuneration includes the amounts that correspond to them for the performance of the functions of the Board.

## 3. Competent bodies

### 3.1.- Approval of the Directors' Remuneration Policy

Within the aforementioned statutory framework, it is the power of the General Shareholders' Meeting to approve the maximum Enerside standard in matters of director remuneration.

In this regard, the Appointments and Remuneration Committee is responsible for proposing to the Board of Directors the remuneration policies for directors and members of senior management and reviewing them periodically, proposing, where appropriate, their modification and updating to the Board of Directors.

The Appointments and Remuneration Committee submits the proposal to the Board of Directors for approval and subsequent submission to the General Shareholders' Meeting, issuing the corresponding specific supporting report required by article 529 novodecies of the Capital Companies Act.

If for the preparation of the Policy, the Appointments and Remuneration Committee uses the services of an external advisor, it must adequately assess the independence of said advisor.

Likewise, the Appointments and Remuneration Committee has the function of proposing to the Board of Directors the system and the amount of the annual remuneration of the directors and members of senior management, as well as the individual remuneration of the directors in accordance with the criteria established in the Bylaws and the other basic conditions of their contracts, including any compensation or indemnities that may be set for the event of separation, in accordance in any case with the provisions of the Governance and Sustainability System and in this Policy.

### *3.2.- Execution and application of the Directors' remuneration Policy and senior management members*

Within the global limit established by statute and in accordance with the provisions of the law and in this Policy, it is the responsibility of the Board of Directors, at the proposal of the Appointments and Remuneration Committee, to specify the remuneration of the directors which, in any case, must be approved by the General Shareholders' Meeting.

## **4. Structure of the remuneration of directors in their capacity as such**

The remuneration that corresponds to the directors in their capacity as such is structured, within the legal and statutory framework, in accordance with the following criteria:

### *4.1.- Amount*

The directors receive a fixed annual amount appropriate to market standards, based on the positions they hold within the Board of Directors and the committees to which they belong.

The fixed remuneration of directors and members of senior management in their capacity as such is in line with what is reflected in section 2 of this Policy.

The maximum amount of annual remuneration to be paid to all the directors in their capacity as such (excluding the eventual compensation for the commitment of non-attendance provided for in section 4.3 below) is 1,000,000 euros in each fiscal year of validity of this Policy.

This global amount may be updated by the General Shareholders' Meeting based on the concurrent circumstances. In the event of such an update, it will be reported and the circumstances that justified it in the corresponding annual report on directors' remuneration.

The Board of Directors is responsible for determining the fixed remuneration of the directors in their capacity as such, with the global limit previously referred to, taking into account the positions held by the director on the Board of Directors, belonging to delegated or advisory bodies of the Board of Directors and the functions and responsibilities attributed, as well as their dedication to Enerside.

The aforementioned fixed remuneration may be updated by the General Shareholders' Meeting, which will be reported in the annual report on directors' remuneration, in any case within the maximum annual limit for the entire Board of Directors indicated plus above.

The fixed remuneration for belonging to the Board of Directors and its committees and the performance of positions in said bodies is compatible and independent from that corresponding to the directors for the performance of their executive functions in accordance with the provisions of section 5 of this Policy.

With regard to variable remuneration, this system aims to motivate Directors for the performance of their duties in an objective manner and in line with the interests and objectives of the company. Therefore, the accrual of this variable remuneration occurs based on the degree of delivery of the company's Business Plan.

The amount of said variable remuneration is established at a maximum of € 30,000 per year for each Director, based on the delivery of the Business Plan in terms of projects (MW) put into service, both their own and those of third parties.

In this regard, it should be noted that the Directors merit this right to Variable Remuneration from the completion of 50% of the Business Plan, at which time they acquire 50% of the referred remuneration. If the degree of compliance with the Business Plan increases above said percentage, the remuneration will increase directly proportionally.

#### *4.2.- Commitment of non-attendance*

The director who ends his mandate or who for any other reason ceases to hold his position, will not be able to be an administrator, or a manager, or provide services in another entity that has a corporate purpose totally or partially analogous to that of Enerside or that is its competitor, for a period of two years. The Board of Directors, if it deems it appropriate, may release the outgoing director from this obligation or shorten the period of its duration.

In the event of termination prior to the end of the period for which they were appointed, non-executive directors who are not proprietary directors shall have the right to receive compensation for the commitment of non-attendance described in the preceding paragraph, except when their termination is motivated by a breach of the administrator functions attributable to them, by the provisions of the succession plan included in the General Corporate Governance Policy, by regulatory or legal requirements or is due exclusively to their will.

For clarification purposes, it will not be considered that the termination is due exclusively to the will of the director when the resignation occurs on the occasion of the acceptance of a public position incompatible with the performance of the position of administrator.

#### *4.3.- Malus and Claw-back clauses*

The Board of Directors, taking into account the proposal made by the Appointments and Remuneration Committee, if applicable, has the power to cancel, in whole or in part, the payment of long-term variable remuneration (Malus Clause) or claim a refund of remunerations already paid (Claw-back clause) in special circumstances. In any case, these clauses must be included in the respective contracts of the directors and members of the senior management of Enerside.

These circumstances include fraud, serious non-compliance with the law, as well as in the event of a material restatement of the financial statements on which the Board based the evaluation of the degree of performance, provided that said restatement is confirmed by the external auditors and not respond to a modification of the accounting regulations.

The proportion of the amounts to be withheld or recovered will be determined at the discretion of the Board of Directors, after consideration by the Appointments and Remuneration Committee, taking into account the specific circumstances that have given rise to the claim.

## 5. Adaptation to the economic situation and the international context

The application of this Policy will be conveniently adapted to the economic situation and the international context at the proposal of the Appointments and Remuneration Committee, who may have the advice of an independent expert for this purpose. Where appropriate, all the details and reasons for any adaptation will be provided to shareholders in the next published annual report on directors' remuneration.

## 6. Principle of full transparency

The Board of Directors of Enerside assumes the commitment to make effective the principle of full transparency of all remuneration items received by all directors, providing transparent, sufficient information, issued with the necessary advance notice and aligned with the generally recognized good governance recommendations. in international markets in matters of director remuneration. In this sense, the Board of Directors has taken and will take into account the information received as a result of the continuous two-way contact with shareholders, retailers and institutions, and proxy advisors.

To this end, the Board of Directors formulates this Policy and ensures the transparency of the directors' remuneration, recording in the Enerside annual accounts in a detailed and individualized manner, according to their positions and categories, all the remuneration received by the directors, whether in their capacity as directors, in their capacity as executives, as the case may be, or in any other capacity, have already been satisfied by Enerside or by other group companies.

Likewise, the General Shareholders' Meeting will annually approve the Report on the remuneration of directors and members of senior management, which is submitted to a consultative vote as a separate item on the agenda.

## 7. Temporary exceptions

In accordance with the provisions of article 529 novodecies. 6. of the Capital Companies Act, the Board of Directors, after a favorable report from the Appointments and Remuneration Committee, may apply temporary exceptions to the variable components of the directors' remuneration when this is necessary to serve long-term interests and the sustainability of Enerside as a whole or to ensure its viability.

## 8. Control and Evaluation

To achieve the objectives established in this Policy, Enerside has the Appointments and Remuneration Committee.

Said Commission is responsible for implementing this policy and monitoring its implementation based on the objectives and KPIs (Indicators) defined by Enerside.

The Appointments and Remuneration Committee will define the objectives of this Policy, and will have the support of the Sustainability Committee, in order to guarantee a balance with the economic, social, environmental and corporate governance interests of the company. These objectives will be published in the Sustainability Plan and in its respective report.

## 9. Validity

This Policy will be in force from the exercise of its approval and during the years 2021, 2022 and 2023.

This Policy was approved by the Board of Directors of Enerside Energy, SA on September 3, 2021.

Tomàs Casanovas Martínez



p.p. OPEN LEARNING SPAIN, S.L.  
Chairman of the Board

Joatham Grange



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