



## OPDENENERGY HOLDING, S.A.

### BOARD OF DIRECTORS

#### **REASONED PROPOSAL ON THE MODIFICATION OF THE REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS OF OPDENENERGY HOLDING, S.A. FOR THE FINANCIAL YEARS 2022-2025**

##### **1. Introduction and applicable law**

In accordance with the regulations applicable to listed companies on remuneration, any remuneration received by the Directors for the exercise of their office and, where appropriate, for the performance of their executive duties, must be in accordance with the Remuneration Policy in force from time to time.

In turn, the Remuneration Policy must conform to the system provided for in the Articles of Association and must be approved by the General Shareholders' Meeting at least every three years, as a separate item on the agenda. Once approved, the Remuneration Policy remains in force for the following three financial years and any changes to it during this period require a new approval, which must be reasoned and accompanied by a specific report from the Appointments and Remuneration Committee.

The General Meeting of Opdenenergy Holding, S.A. (hereinafter, the "**Company**" or "**Opdenenergy**") approved at its meeting held on 29 June 2022, [with effects conditional upon obtaining admission to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, as well as inclusion in the Stock Exchange Interconnection System (Continuous Market)], the Remuneration Policy for Members of the Board of Directors (hereinafter, the "**Remuneration Policy**") for the financial years 2022-2025.

Notwithstanding the recent approval of the current Remuneration Policy, in order to adapt the Remuneration Policy to the current reality of the contract with the executive director, the Board of Directors considers it necessary to proceed to amend the Company's Remuneration Policy in the terms detailed below, and consequently proceeds to prepare this report with the reasoned proposal for the amendment of the Remuneration Policy of the members of the Board of Directors of the Company.

##### **2. Reasoned proposal**

In consideration of the foregoing and in accordance with article 529 novodecies of the consolidated text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (the "**Capital Companies Act**" or the "**LSC**"), the Board of Directors is responsible for drawing up the reasoned proposal on the modification of the Remuneration Policy.

The Board of Directors deems it appropriate to propose to the General Meeting of Shareholders of the Company the modification of the Remuneration Policy, in the following terms:

- (i) amendment of section 6.1 of the Remuneration Policy by including a new paragraph providing for the annual update of the fixed remuneration in force for executive directors at any given time; and
- (ii) amendment of section 6.3 of the Remuneration Policy by including a new paragraph providing that the remuneration of executive directors shall be understood to be without prejudice to any amounts that they were entitled to receive or had been

recognised for incentives or other items based on their employment relationship with the Company prior to their appointment as executive directors.

As a result of the foregoing, the Board of Directors of the Company, at its meeting held on 10 May 2023, resolved to approve the proposed amendment of the Remuneration Policy for the financial years 2022-2025, both inclusive, the approval of which is proposed as a separate item on the agenda for the Ordinary General Meeting of Shareholders, to be held on 19 June 2023, at first call.

The amended text of the Remuneration Policy, if approved by the General Meeting of the Company, will replace in its entirety the text approved by the General Meeting on 29 June 2022, without prejudice to the effects produced and consolidated under its validity. The proposed amendment of the Remuneration Policy is attached as **Annex I** to this Proposal (in marked changes with respect to the Remuneration Policy currently in force).

At the same meeting, the Board of Directors agreed to take note of the mandatory report of the Appointments and Remuneration Committee, the content and reasons for which the Board assumes as an integral part of its proposal. The report of the Appointments and Remuneration Committee is attached as **Annex II** to this Proposal.

For the record and for all purposes, the Board of Directors hereby issues this report, which was approved at its meeting held on 10 May 2023.



## **Annex I**

### **Proposed Modification of the Remuneration Policy for Members of the Board of Directors of Opdenenergy Holding, S.A. for the financial years 2022-2025**



**REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS OF OPDENERGY  
HOLDING, S.A.**

**29 June 2022**

## INDEX

<b>1.</b>	<b>APPROACH AND SCOPE OF THE REMUNERATION POLICY</b>	<b>6</b>
<b>2.</b>	<b>VALIDITY OF THE REMUNERATION POLICY</b>	<b>6</b>
<b>3.</b>	<b>OBJECTIVES OF THE REMUNERATION POLICY</b>	<b>6</b>
<b>4.</b>	<b>GUIDING PRINCIPLES AND CRITERIA FOR REMUNERATION POLICY</b>	<b>7</b>
4.1	ENSURING INDEPENDENCE OF JUDGEMENT	7
4.2	ATTRACTING AND RETAINING THE BEST PEOPLE	7
4.3	LONG-TERM PROFITABILITY AND SUSTAINABILITY	7
4.4	TRANSPARENCY	7
4.5	EQUITY AND PROPORTIONALITY OF REMUNERATION	7
<b>5.</b>	<b>REMUNERATION OF DIRECTORS IN THEIR CAPACITY AS SUCH</b>	<b>7</b>
5.1	ANNUAL AMOUNT OF DIRECTORS' REMUNERATION	8
5.2	FIXED ANNUAL REMUNERATION	8
<b>6.</b>	<b>DIRECTORS' REMUNERATION FOR THE PERFORMANCE OF EXECUTIVE DUTIES</b>	<b>9</b>
6.1	FIXED ANNUAL REMUNERATION	10
6.2	VARIABLE REMUNERATION	10
6.2.1	ANNUAL VARIABLE REMUNERATION	10
6.2.2	MULTIANNUAL VARIABLE REMUNERATION	10
6.2.3	OTHER MEDIUM AND LONG-TERM INCENTIVES	11
6.3	OTHER REMUNERATION AND REMUNERATION IN KIND	11
6.4	MAIN TERMS AND CONDITIONS OF EXECUTIVE DIRECTORS' CONTRACTS	11
<b>7.</b>	<b>REMUNERATION POLICY APPLICABLE TO NEW DIRECTORS</b>	<b>13</b>

## 1. APPROACH AND SCOPE OF THE REMUNERATION POLICY

This document reflects the remuneration policy applicable to the members of the board of directors of Opdenenergy Holding, S.A. (the "**Company**"), in compliance with the legal requirements established by Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Capital Companies Act (the "**Capital Companies Act**") (hereinafter, the "**Remuneration Policy**").

The Remuneration Policy has been prepared taking into account the relevance of the Company, its economic situation, market standards for comparable companies and the dedication of the directors to the Company. The remuneration set out below is appropriately proportionate and promotes the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking or rewarding unfavourable results and ensuring that the interests of the directors are aligned with those of the Company and its shareholders, without compromising the independence of the directors themselves.

## 2. VALIDITY OF THE REMUNERATION POLICY

Without prejudice to the provisions of the Spanish Companies Act regarding directors remuneration, the Remuneration Policy shall enter into force upon the effective admission of the Company's shares to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and their inclusion in the Stock Exchange Interconnection System (Continuous Market) (the "**Admission**") and shall remain in effect for the three financial years following the year in which it is approved by the shareholders at the general shareholders' meeting. Therefore, the Remuneration Policy will be applicable as from Admission and during the current financial year 2022 and the following three financial years (i.e., 2022, 2023, 2024 and 2025).

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

## 3. OBJECTIVES OF THE REMUNERATION POLICY

The purpose of the Remuneration Policy is to define and control 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.

In view of the foregoing, the Remuneration Policy for directors establishes a remuneration scheme appropriate to the dedication and responsibilities assumed by them, and is applied in order to attract, retain and motivate the members of the Board of Directors of the Company, all with the aim of having people with the appropriate professional profiles to contribute to the achievement of the strategic objectives of the Company.

#### **4. GUIDING PRINCIPLES AND CRITERIA FOR REMUNERATION POLICY**

In order to have a sound corporate governance structure in place, the Company has considered it appropriate to establish clear principles in this area and, specifically, in the area of the 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 ENSURING INDEPENDENCE OF JUDGEMENT**

Remuneration shall be structured in such a way as not to compromise the independent judgement of external directors.

##### **4.2 ATTRACTING AND RETAINING THE BEST PROFESSIONALS**

Remuneration shall be competitive so as to attract and retain talent that contributes to the creation of value for the Company and the achievement of its strategic objectives.

##### **4.3 LONG-TERM PROFITABILITY AND SUSTAINABILITY**

Remuneration should promote the long-term profitability and sustainability of the Company and be consistent with the Company's long-term interests and strategy, values and objectives. Furthermore, the necessary precautions shall be taken to avoid excessive risk-taking and unfavourable outcomes. In particular, the remuneration system shall set the necessary limits and safeguards to ensure that variable remuneration is linked to the professional performance of the beneficiaries and does not derive solely from general market or industry developments.

##### **4.4 TRANSPARENCY**

The Remuneration Policy and the specific rules for determining remuneration shall be clear and known.

##### **4.5 FAIRNESS AND PROPORTIONALITY OF REMUNERATION**

Remuneration should be set taking into account the dedication, qualifications and responsibility required for 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 equity.

#### **5. REMUNERATION OF DIRECTORS FOR THEIR STATUS AS SUCH**

The Articles of Association provide that the position of director of the Company is remunerated. The Remuneration Policy aims to remunerate the members of the Board of Directors for their status as such, i.e., for the performance of supervisory and decision-making tasks within the Board of Directors and the Committees of which they are members, in an appropriate and sufficient manner for their dedication, qualifications and responsibilities, without compromising their independence of judgement.

In this regard, the Company has adopted this Remuneration Policy, by virtue of which all directors (with the exception of executive directors) are entitled to receive remuneration for the performance of their supervisory and collective decision-making duties, i.e. for their status as members of the Board of Directors and, if applicable, of the Committees of which they are members.

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

Likewise, 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. Based on the maximum annual amount set and approved by the General Meeting of Shareholders, the Board of Directors shall have the power to distribute this amount among its members according to the position, functions and responsibilities attributed, participation in Committees within the Board of Directors, class or category of directors to which they belong, as well as any other objective circumstances it deems relevant.

Finally, the Company will pay the premium for the directors' liability insurance, including executive directors, on usual market conditions and in proportion to the Company's circumstances.

#### **5.1 ANNUAL AMOUNT OF DIRECTORS' REMUNERATION**

The maximum annual remuneration that the Company may pay to all of its proprietary and independent directors, in their capacity as such, amounts to EUR 480,000. 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 made to executive directors for the performance of their executive duties, in accordance with the Articles of Association and their respective contracts with the Company; (b) payments of liability insurance premiums contracted by the Company for its directors; and (c) any reimbursement of current expenses incurred by directors in attending meetings of the Board of Directors or any of its Committees.

#### **5.2 FIXED ANNUAL REMUNERATION**

The Board of Directors is responsible for distributing the maximum annual amount among its members and for this purpose shall establish the criteria for determining the amounts corresponding to each director, taking into account, in addition to any other objective circumstances it deems relevant:

- The category of director.

- The role played by the director on the Board of Directors and on any of its Committees.
- The specific tasks and responsibilities undertaken during the year.
- The experience and knowledge required to perform these tasks.
- The amount of time and dedication required to fulfil it.

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

- (a) Allowance for membership of the Board of Directors (excluding, for clarification purposes, the executive director): EUR 50,000.
- (b) Additional allowance for chairmanship of the Board of Directors: no allowance.
- (c) Allowance for membership of the Audit Committee: EUR 10,000.
- (d) Additional allowance for chairing the Audit Committee: EUR 30,000.
- (e) Allowance for membership of the Appointments and Remuneration Committee: EUR 10,000.
- (f) Additional allowance for chairing the Appointments and Remuneration Committee: EUR 30,000.
- (g) Allowance for membership of the Sustainable Development Commission: EUR 10,000.
- (h) Additional allocation for chairing the Commission for Sustainable Development: EUR 30,000.

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

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

Directors who perform executive duties shall be entitled to receive the remuneration provided for in the contracts entered into for such purpose between each director and the Company for the performance of such duties. The Board of Directors is responsible for setting the remuneration of the directors for the performance of executive duties and for approving the contracts of the executive directors with the Company, which must comply with the Remuneration Policy.

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

## 6.1 FIXED ANNUAL REMUNERATION

The fixed remuneration will be determined according to the responsibility, hierarchical position and experience of each Executive Director, taking into account the specific characteristics of each function and the dedication required, all of this in order to establish a competitive salary base that attracts and retains talent to contribute to value creation.

In any case, the fixed annual remuneration will be updated on 1 January of each year by applying to the fixed remuneration in force at the time of the update the percentage variation experienced by the consumer price index established for the Community of Madrid in the twelve-month period immediately prior to the update date. The first update will take place on 1 January 2023.

## 6.2 VARIABLE REMUNERATION

Only executive directors enjoy variable components in their remuneration.

In this respect, the General Meeting of Shareholders may establish remuneration systems indexed to the value of the shares, involving the delivery of shares in the Company or remuneration systems consisting of stock options. The resolution of the General Meeting shall determine, if applicable, the maximum number of shares that may be allocated in each financial year to this remuneration system, the exercise price or the system for calculating the exercise price of the share options, the value of the shares that, if applicable, is taken as a reference and the term of duration of the plan.

Variable remuneration is based on the principles of the Remuneration Policy described above and will take into account the elements described below.

### 6.2.1 Annual variable remuneration

The annual variable remuneration of executive directors may be paid in cash or in shares if duly approved by the General Meeting, based on professional performance and the achievement of short, medium and long-term objectives predetermined in advance in a manner that assesses the value for the Company.

### 6.2.2 Multi-year variable remuneration

In order to incentivise the achievement of financial targets and the alignment of long-term interests of the Company's executive directors, management and key employees, executive directors are allowed to participate as beneficiaries in the multi-year incentive plans implemented by the Company.

Specifically, the Executive Director shall be entitled to participate in the Company's *-Long Term Incentive Plan* (hereinafter "**LTIP**") approved by the Board of Directors of the Company, which consists of the delivery of shares in the Company after a period of time, subject to the fulfilment of certain objectives and the beneficiary's permanence in the Company as set forth in the document regulating the conditions and operation of the LTIP approved by the Board of Directors of the Company.

### 6.2.3 Other medium and long-term incentives

Without prejudice to the above, executive directors 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 ITEMS OF REMUNERATION AND REMUNERATION IN KIND

Executive directors may receive other remuneration items and certain remuneration in kind, such as health insurance and life insurance.

The Company may pay the premium for directors' liability insurance, including executive directors, at customary market conditions and in proportion to the Company's circumstances.

All of the foregoing remuneration items should be understood to be without prejudice to any amounts that he is entitled to receive or has been recognised for incentives or other items based on his relationship with the Company prior to his appointment as executive director, including, without limitation, the incentive associated with the transaction entered into with Bruc Energy, S.L.

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

The essential terms and conditions of the agreement entered into between the Company and the Executive Director are as set out below:

- (i) Duration: indefinite.
- (ii) Remuneration:
  - Fixed remuneration: the Executive Director shall be entitled to receive a fixed annual remuneration of EUR 300,000.
  - Annual variable remuneration in cash: the Executive Director shall be entitled to receive gross annual variable remuneration of up to 100% of his annual fixed remuneration, payable in cash, of a non-consolidable nature, the amount and target amount of which shall be determined at the beginning of each financial year based on the criteria and parameters set by the Board of Directors at the proposal of the Appointments and Remuneration Committee.
  - Annual or multi-annual variable share-based remuneration: the Executive Director shall be entitled to participate in the LTIP approved by the Board of Directors and in the annual or multi-annual share-based incentive plans that may be established by the Board of Directors of the Company from time to time for the Company's management team.
  - Remuneration in kind: Directors' and officers' liability insurance, a life insurance policy and a private medical insurance policy, in accordance with usual market conditions and in proportion to the Company's circumstances.

- (iii) Cancellation (*malus* and *clawback*) clauses: the Executive Director's contract includes clauses for cancellation and/or reimbursement to the Company of the variable remuneration in the usual events for this type of contract. The Company may set off the amount to be cancelled and/or clawback against any other amount due to the Executive Director.
- (iv) Minimum tenure commitment: the Executive Director undertakes not to terminate his contract with the Company until 29 June 2026. In this respect, in the event that the Executive Director terminates his contract with the Company without just cause before the end of such minimum tenure period, the Company shall be entitled to (i) receive from him a compensation equal to the gross fixed remuneration to which the Executive Director would have been entitled to receive during the remaining period of the minimum tenure period; and (ii) not to deliver to the Executive Director all of the shares which the Executive Director has accrued and is yet to receive and to obtain the redemption of the shares he has received (as the case may be) under the annual or multi-year share incentive plans approved by the Board of Directors.
- (v) Exclusivity agreement: Executive Directors must provide their services exclusively for the Company, such that they may not provide any kind of services, directly or indirectly, even if the activities they perform are not concurrent with those of the Company, except with the express written consent of the Company. The need to obtain express written authorisation from the Company does not apply to the activities of holding management positions in companies or companies in which the Company has an interest and to activities of a personal, family and social nature, provided that they do not require significant dedication, do not interfere with the correct and diligent performance of their duties, and do not concur with the business of the Company.
- (vi) Grounds for termination and indemnities: the Executive Director's contract may be terminated for the following reasons: (i) by mutual agreement; (ii) by unilateral decision of the Executive Director with three months' notice, on pain of indemnifying the Company, in the event of breach, with an amount equivalent to his fixed remuneration for the current year corresponding to the period of notice not given; (iii) by unilateral decision of the Executive Director in cases of substantial modification of conditions, serious breach or change of control; (iv) at the free will of the Company for any reason, including those established in the Articles of Association, without being related to a serious or culpable breach of the Executive Director's duties, as well as in the event of termination or non-renewal of the Executive Director as director, or total or partial revocation of the powers delegated in his favour; and (v) by decision of the Company as a consequence of seriously fraudulent and culpable conduct in the exercise of the Executive Director's duties.

Termination of the Executive Director's contract for the reasons set out in (iii) or (iv) above will entitle the Executive Director to receive the annual and multi-year variable remuneration that would have accrued at the time of termination of the contract with a performance level of 100% and in proportion to the period actually elapsed.

- (vii) Post-contractual non-competition agreement: for a period of 12 months after the termination of the agreement, the Executive Director may not directly or indirectly compete with the business or activities carried out or to be carried out by the Company, receiving in consideration a compensation equivalent to 12 monthly payments of his fixed remuneration, in addition to any compensation for termination of his contract with the Company.
  
- (viii) Company shareholding agreement: the Executive Director undertakes to maintain ownership at all times of a number of shares, options or other financial instruments corresponding to the Company's remuneration schemes such that the Executive Director maintains an economic exposure to changes in the Company's share price equivalent to an amount of at least twice his annual fixed remuneration.

## **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.

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## **Annex II**

**Report of the Appointments and Remuneration Committee on the proposed modification of the remuneration policy for members of the Board of Directors of Opdenenergy Holding, S.A. for the financial years 2022-2025.**



## OPDENERGY HOLDING, S.A.

### APPOINTMENTS AND REMUNERATION COMMITTEE

#### **SPECIFIC REPORT ON THE PROPOSED MODIFICATION OF THE REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS OF OPDENERGY HOLDING, S.A. FOR THE FINANCIAL YEARS 2022-2025**

##### **1. Presentation**

Pursuant to articles 511 bis and 529 novodecies of the consolidated text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July (the "**Capital Companies Act**" or the "**LSC**"), listed companies are required to submit any proposal to approve, amend or replace the Directors' Remuneration Policy to the General Shareholders' Meeting for approval. Article 7 of the Regulations of the General Shareholders' Meeting of Opdenenergy Holding, S.A. also grants the General Shareholders' Meeting the power to approve the Directors' Remuneration Policy.

The General Meeting of Opdenenergy Holding, S.A. (hereinafter, the "**Company**" or "**Opdenenergy**") approved at its meeting held on 29 June 2022, [with effects conditional upon obtaining admission to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, as well as inclusion in the Stock Exchange Interconnection System (Continuous Market)], the Remuneration Policy for Members of the Board of Directors (hereinafter, the "**Remuneration Policy**") for the financial years 2022-2025.

However, for the purpose of adapting the Remuneration Policy to the current reality of the contract with the executive director, the Appointments and Remuneration Committee of the Board of Directors of the Company (the "**Committee**") deems it appropriate to propose to the Board of Directors an amendment to the Remuneration Policy in the terms detailed below and, for such purposes, in accordance with article 529 novodecies 4 of the Capital Companies Act, article 17.6 of the Articles of Association, article 5(viii) of the Regulations of the Appointments and Remuneration Committee and section 2 of the Remuneration Policy itself, the Committee issues this report (the "**Report**").

##### **2. Skills base**

Pursuant to article 529 novodecies 4 of the Capital Companies Act, article 17.6 of the Articles of Association, as well as the rest of the Company's regulations indicated above, the Appointments and Remuneration Committee is responsible for issuing this report on the proposed modification of the Remuneration Policy by the Board of Directors so that the Board of Directors may, if it deems appropriate, propose such modification to the General Meeting of Shareholders, which is legally responsible for its approval.

##### **3. Report**

In line with the above-mentioned proposal, it is proposed by this report to amend: (i) section 6.1 of the Remuneration Policy by including a new paragraph providing for the annual update of the fixed remuneration in force for executive directors at any given time; and (ii) section 6.3 of the Remuneration Policy by including a new paragraph providing that the remuneration of executive directors shall be understood to be without prejudice to any amounts that they were entitled to receive or had been recognised for incentives or other items based on their employment relationship with the Company prior to their appointment as executive directors.

In consideration of the foregoing and after analysing the need to adapt the content of the Remuneration Policy to the current reality of the contract with the executive director, the

Appointments and Remuneration Committee considers that the content of the Remuneration Policy should be amended.

#### **4. Conclusion**

In accordance with what is set out in this Report, the Company's Appointments and Remuneration Committee considers the proposal to modify the current Remuneration Policy to be appropriate, as it is in line with Opdenenergy's own needs in terms of remuneration of the members of its management body and to guarantee transparency. In view of the foregoing, the Appointments and Remuneration Committee resolves to submit to the Board of Directors this favourable report on the proposed amendment of the Remuneration Policy for the financial years 2022-2025, which is attached in its proposed new wording as **Annex I** (in marked changes with respect to the Remuneration Policy currently in force), and issues this report for the appropriate purposes.

For the record and for all intents and purposes, the Commission hereby issues the present report, which was adopted unanimously by its members at its meeting of 10 May 2023.

The Report will be presented to the Governing Board at its meeting scheduled for 10 May 2023.



## **Annex I**

### **Proposed Modification of the Remuneration Policy for Members of the Board of Directors of Opdenenergy Holding, S.A. for the financial years 2022-2025**



**REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS OF OPDENERGY  
HOLDING, S.A.**

**29 June 2022**

## CONTENTS

<b>1.</b>	<b>APPROACH AND SCOPE OF THE REMUNERATION POLICY</b>	<b>6</b>
<b>2.</b>	<b>VALIDITY OF THE REMUNERATION POLICY</b>	<b>6</b>
<b>3.</b>	<b>OBJECTIVES OF THE REMUNERATION POLICY</b>	<b>6</b>
<b>4.</b>	<b>GUIDING PRINCIPLES AND CRITERIA OF THE REMUNERATION POLICY</b>	<b>7</b>
4.1	ENSURING INDEPENDENCE OF JUDGEMENT	7
4.2	ATTRACTING AND RETAINING THE BEST PROFESSIONALS	7
4.3	LONG-TERM PROFITABILITY AND SUSTAINABILITY	7
4.4	TRANSPARENCY	7
4.5	FAIRNESS AND PROPORTIONALITY OF REMUNERATION	7
<b>5.</b>	<b>REMUNERATION OF DIRECTORS FOR THEIR STATUS AS SUCH</b>	<b>7</b>
5.1	ANNUAL AMOUNT OF DIRECTORS' REMUNERATION	8
5.2	FIXED ANNUAL REMUNERATION	8
<b>6.</b>	<b>DIRECTORS' REMUNERATION FOR THE PERFORMANCE OF EXECUTIVE DUTIES</b>	<b>9</b>
6.1	FIXED ANNUAL REMUNERATION	9
6.2	VARIABLE REMUNERATION	10
6.2.1	ANNUAL VARIABLE REMUNERATION	10
6.2.2	MULTI-YEAR VARIABLE REMUNERATION	10
6.2.3	OTHER MEDIUM AND LONG-TERM INCENTIVES	10
6.3	OTHER ITEMS OF REMUNERATION AND REMUNERATION IN KIND	11
6.4	MAIN TERMS AND CONDITIONS OF EXECUTIVE DIRECTORS' CONTRACTS	11
<b>7.</b>	<b>REMUNERATION POLICY APPLICABLE TO NEW DIRECTORS</b>	<b>13</b>

## 1. APPROACH AND SCOPE OF THE REMUNERATION POLICY

This document reflects the remuneration policy applicable to the members of the board of directors of Opdenenergy Holding, S.A. (the "**Company**"), in compliance with the legal requirements established by Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Capital Companies Act (the "**Capital Companies Act**") (hereinafter, the "**Remuneration Policy**").

The Remuneration Policy has been prepared taking into account the relevance of the Company, its economic situation, market standards for comparable companies and the dedication of the directors to the Company. The remuneration set out below is appropriately proportionate and promotes the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking or rewarding unfavourable results and ensuring that the interests of the directors are aligned with those of the Company and its shareholders, without compromising the independence of the directors themselves.

## 2. VALIDITY OF THE REMUNERATION POLICY

Without prejudice to the provisions of the Spanish Companies Act regarding directors remuneration, the Remuneration Policy shall enter into force upon the effective admission of the Company's shares to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and their inclusion in the Stock Exchange Interconnection System (Continuous Market) (the "**Admission**") and shall remain in effect for the three financial years following the year in which it is approved by the shareholders at the general shareholders' meeting. Therefore, the Remuneration Policy will be applicable as from Admission and during the current financial year 2022 and the following three financial years (i.e., 2022, 2023, 2024 and 2025).

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

## 3. OBJECTIVES OF THE REMUNERATION POLICY

The purpose of the Remuneration Policy is to define and control 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.

In view of the foregoing, the Remuneration Policy for directors establishes a remuneration scheme appropriate to the dedication and responsibilities assumed by them, and is applied in order to attract, retain and motivate the members of the Board of Directors of the Company, all with the aim of having people with the appropriate professional profiles to contribute to the achievement of the strategic objectives of the Company.

#### **4. GUIDING PRINCIPLES AND CRITERIA OF THE REMUNERATION POLICY**

In order to have a sound corporate governance structure in place, the Company has considered it appropriate to establish clear principles in this area and, specifically, in the area of the 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 ENSURING INDEPENDENCE OF JUDGEMENT**

Remuneration shall be structured in such a way as not to compromise the independent judgement of external directors.

##### **4.2 ATTRACTING AND RETAINING THE BEST PROFESSIONALS**

Remuneration shall be competitive so as to attract and retain talent that contributes to the creation of value for the Company and the achievement of its strategic objectives.

##### **4.3 LONG-TERM PROFITABILITY AND SUSTAINABILITY**

Remuneration should promote the long-term profitability and sustainability of the Company and be consistent with the Company's long-term interests and strategy, values and objectives. Furthermore, the necessary precautions shall be taken to avoid excessive risk-taking and unfavourable outcomes. In particular, the remuneration system shall set the necessary limits and safeguards to ensure that variable remuneration is linked to the professional performance of the beneficiaries and does not derive solely from general market or industry developments.

##### **4.4 TRANSPARENCY**

The Remuneration Policy and the specific rules for determining remuneration shall be clear and known.

##### **4.5 FAIRNESS AND PROPORTIONALITY OF REMUNERATION**

Remuneration should be set taking into account the dedication, qualifications and responsibility required for 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 equity.

#### **5. REMUNERATION OF DIRECTORS FOR THEIR STATUS AS SUCH**

The Articles of Association provide that the position of director of the Company is remunerated. The Remuneration Policy aims to remunerate the members of the Board of Directors for their status as such, i.e., for the performance of supervisory and decision-making tasks within the Board of Directors and the Committees of which they are members, in an appropriate and sufficient manner for their dedication, qualifications and responsibilities, without compromising their independence of judgement.

In this regard, the Company has adopted this Remuneration Policy, by virtue of which all directors (with the exception of executive directors) are entitled to receive remuneration for the performance of their supervisory and collective decision-making duties, i.e. for their status as members of the Board of Directors and, if applicable, of the Committees of which they are members.

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

Likewise, 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. Based on the maximum annual amount set and approved by the General Meeting of Shareholders, the Board of Directors shall have the power to distribute this amount among its members according to the position, functions and responsibilities attributed, participation in Committees within the Board of Directors, class or category of directors to which they belong, as well as any other objective circumstances it deems relevant.

Finally, the Company will pay the premium for the directors' liability insurance, including executive directors, on usual market conditions and in proportion to the Company's circumstances.

#### **5.1 ANNUAL AMOUNT OF DIRECTORS' REMUNERATION**

The maximum annual remuneration that the Company may pay to all of its proprietary and independent directors, in their capacity as such, amounts to EUR 480,000. 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 made to executive directors for the performance of their executive duties, in accordance with the Articles of Association and their respective contracts with the Company; (b) payments of liability insurance premiums contracted by the Company for its directors; and (c) any reimbursement of current expenses incurred by directors in attending meetings of the Board of Directors or any of its Committees.

#### **5.2 FIXED ANNUAL REMUNERATION**

The Board of Directors is responsible for distributing the maximum annual amount among its members and for this purpose shall establish the criteria for determining the amounts corresponding to each director, taking into account, in addition to any other objective circumstances it deems relevant:

- The category of director.

- The role played by the director on the Board of Directors and on any of its Committees.
- The specific tasks and responsibilities undertaken during the year.
- The experience and knowledge required to perform these tasks.
- The amount of time and dedication required to fulfil it.

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

- (a) Allowance for membership of the Board of Directors (excluding, for clarification purposes, the executive director): EUR 50,000.
- (b) Additional allowance for chairmanship of the Board of Directors: no allowance.
- (c) Allowance for membership of the Audit Committee: EUR 10,000.
- (d) Additional allowance for chairing the Audit Committee: EUR 30,000.
- (e) Allowance for membership of the Appointments and Remuneration Committee: EUR 10,000.
- (f) Additional allowance for chairing the Appointments and Remuneration Committee: EUR 30,000.
- (g) Allowance for membership of the Sustainable Development Commission: EUR 10,000.
- (h) Additional allocation for chairing the Commission for Sustainable Development: EUR 30,000.

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

## **6. DIRECTORS' REMUNERATION FOR THE PERFORMANCE OF EXECUTIVE DUTIES**

Directors who perform executive duties shall be entitled to receive the remuneration provided for in the contracts entered into for such purpose between each director and the Company for the performance of such duties. The Board of Directors is responsible for setting the remuneration of the directors for the performance of executive duties and for approving the contracts of the executive directors with the Company, which must comply with the Remuneration Policy.

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

### **6.1 FIXED ANNUAL REMUNERATION**

The fixed remuneration will be determined according to the responsibility, hierarchical position and experience of each Executive Director, taking into account the specific characteristics of each function and the dedication required, all of this in order to

establish a competitive salary base that attracts and retains talent to contribute to value creation.

In any case, the fixed annual remuneration will be updated on 1 January of each year by applying to the fixed remuneration in force at the time of the update the percentage variation experienced by the consumer price index established for the Community of Madrid in the twelve-month period immediately prior to the update date. The first update will take place on 1 January 2023.

## **6.2 VARIABLE REMUNERATION**

Only executive directors enjoy variable components in their remuneration.

In this respect, the General Meeting of Shareholders may establish remuneration systems indexed to the value of the shares, involving the delivery of shares in the Company or remuneration systems consisting of stock options. The resolution of the General Meeting shall determine, if applicable, the maximum number of shares that may be allocated in each financial year to this remuneration system, the exercise price or the system for calculating the exercise price of the share options, the value of the shares that, if applicable, is taken as a reference and the term of duration of the plan.

Variable remuneration is based on the principles of the Remuneration Policy described above and will take into account the elements described below.

### **6.2.1 Annual variable remuneration**

The annual variable remuneration of executive directors may be paid in cash or in shares if duly approved by the General Meeting, based on professional performance and the achievement of short, medium and long-term objectives predetermined in advance in a manner that assesses the value for the Company.

### **6.2.2 Multi-year variable remuneration**

In order to incentivise the achievement of financial targets and the alignment of long-term interests of the Company's executive directors, management and key employees, executive directors are allowed to participate as beneficiaries in the multi-year incentive plans implemented by the Company.

*in-Long Term Incentive Plan* (hereinafter "**LTIP**") approved by the Board of Directors of the Company, which consists of the delivery of shares in the Company after a period of time, subject to the fulfilment of certain objectives and the beneficiary's permanence in the Company as set forth in the document regulating the conditions and operation of the LTIP approved by the Board of Directors of the Company.

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

Without prejudice to the above, executive directors 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 ITEMS OF REMUNERATION AND REMUNERATION IN KIND

Executive directors may receive other remuneration items and certain remuneration in kind, such as health insurance and life insurance.

The Company may pay the premium for directors' liability insurance, including executive directors, at customary market conditions and in proportion to the Company's circumstances.

All of the foregoing remuneration items should be understood to be without prejudice to any amounts that he is entitled to receive or has been recognised for incentives or other items based on his relationship with the Company prior to his appointment as executive director, including, without limitation, the incentive associated with the transaction entered into with Bruc Energy, S.L.

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

The essential terms and conditions of the agreement entered into between the Company and the Executive Director are as set out below:

- (i) Duration: indefinite.
- (ii) Remuneration:
  - Fixed remuneration: the Executive Director shall be entitled to receive a fixed annual remuneration of EUR 300,000.
  - Annual variable remuneration in cash: the Executive Director shall be entitled to receive gross annual variable remuneration of up to 100% of his annual fixed remuneration, payable in cash, of a non-consolidable nature, the amount and target amount of which shall be determined at the beginning of each financial year based on the criteria and parameters set by the Board of Directors at the proposal of the Appointments and Remuneration Committee.
  - Annual or multi-annual variable share-based remuneration: the Executive Director shall be entitled to participate in the LTIP approved by the Board of Directors and in the annual or multi-annual share-based incentive plans that may be established by the Board of Directors of the Company from time to time for the Company's management team.
  - Remuneration in kind: Directors' and officers' liability insurance, a life insurance policy and a private medical insurance policy, in accordance with usual market conditions and in proportion to the Company's circumstances.

- (iii) Cancellation (*malus* and *clawback*) clauses: the Executive Director's contract includes clauses for cancellation and/or reimbursement to the Company of the variable remuneration in the usual events for this type of contract. The Company may set off the amount to be cancelled and/or clawback against any other amount due to the Executive Director.
- (iv) Minimum tenure commitment: the Executive Director undertakes not to terminate his contract with the Company until 29 June 2026. In this respect, in the event that the Executive Director terminates his contract with the Company without just cause before the end of such minimum tenure period, the Company shall be entitled to (i) receive from him a compensation equal to the gross fixed remuneration to which the Executive Director would have been entitled to receive during the remaining period of the minimum tenure period; and (ii) not to deliver to the Executive Director all of the shares which the Executive Director has accrued and is yet to receive and to obtain the redemption of the shares he has received (as the case may be) under the annual or multi-year share incentive plans approved by the Board of Directors.
- (v) Exclusivity agreement: Executive Directors must provide their services exclusively for the Company, such that they may not provide any kind of services, directly or indirectly, even if the activities they perform are not concurrent with those of the Company, except with the express written consent of the Company. The need to obtain express written authorisation from the Company does not apply to the activities of holding management positions in companies or companies in which the Company has an interest and to activities of a personal, family and social nature, provided that they do not require significant dedication, do not interfere with the correct and diligent performance of their duties, and do not concur with the business of the Company.
- (vi) Grounds for termination and indemnities: the Executive Director's contract may be terminated for the following reasons: (i) by mutual agreement; (ii) by unilateral decision of the Executive Director with three months' notice, on pain of indemnifying the Company, in the event of breach, with an amount equivalent to his fixed remuneration for the current year corresponding to the period of notice not given; (iii) by unilateral decision of the Executive Director in cases of substantial modification of conditions, serious breach or change of control; (iv) at the free will of the Company for any reason, including those established in the Articles of Association, without being related to a serious or culpable breach of the Executive Director's duties, as well as in the event of termination or non-renewal of the Executive Director as director, or total or partial revocation of the powers delegated in his favour; and (v) by decision of the Company as a consequence of seriously fraudulent and culpable conduct in the exercise of the Executive Director's duties.

Termination of the Executive Director's contract for the reasons set out in (iii) or (iv) above will entitle the Executive Director to receive the annual and multi-year variable remuneration that would have accrued at the time of termination of the contract with a performance level of 100% and in proportion to the period actually elapsed.

- (vii) Post-contractual non-competition agreement: for a period of 12 months after the termination of the agreement, the Executive Director may not directly or indirectly compete with the business or activities carried out or to be carried out by the Company, receiving in consideration a compensation equivalent to 12 monthly payments of his fixed remuneration, in addition to any compensation for termination of his contract with the Company.
  
- (viii) Company shareholding agreement: the Executive Director undertakes to maintain ownership at all times of a number of shares, options or other financial instruments corresponding to the Company's remuneration schemes such that the Executive Director maintains an economic exposure to changes in the Company's share price equivalent to an amount of at least twice his annual fixed remuneration.

## **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.

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