

**PROPOSED
REMUNERATION POLICY
FOR DIRECTORS OF
SOLARIA ENERGIA Y MEDIO
AMBIENTE, S.A.**



Contents

Chapter I - Introduction and regulatory framework of the remuneration policy	2
Chapter II - Validity	3
Chapter III - Principles underlying the Remuneration Policy	3
Chapter IV - Remuneration of Directors for their status as such	4
Chapter V - Remuneration of Directors for their executive duties	5
Chapter VI - Maximum annual remuneration amount of the Directors ...	6
Chapter VII - Relationship of the Policy with the remuneration and employment conditions of Solaria employees	7
Chapter VIII - Temporary exceptions to the application of the Policy	7
Chapter IX - Decision-making process for the definition, review and application of the Remuneration Policy	8
Chapter X - Consistency with the company's strategy, interests and sustainability.....	10
Chapter XI - Annual remuneration amount of the Directors	11
Chapter XII - Review and supervision of the Remuneration Policy	11

Chapter I - Introduction and regulatory framework of the remuneration policy

The Board of Directors of SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. (hereinafter “Solaria” or the “Company”) has approved this remuneration policy for Company Directors (the “Remuneration Policy or the “Policy””), in accordance with the provisions of article 529 novodeis of the redrafted text of the Corporations’ Act approved by dint of Royal Legislative Decree 1 enacted on 2 July 2010 (hereinafter “LSC”).

The Remuneration Policy will be submitted to the approval of the Company's General Shareholders' Meeting, to which end it will be made available to the Shareholders at the Company's website, together with the attendant report of the Appointments and Remunerations’ Committee, as from the convening of the General Meeting, without prejudice to the right of the Shareholders to also request its free delivery or shipping. The notice of convening of the General Meeting shall specifically mention this right.

The draft approval of the present Remuneration Policy derives from Solaria's commitment to good governance, business ethics and transparency and the inclusion of requirements and best practices in the field of good governance and director remuneration.

Hence, and in line with its good governance and sustainability strategy, applicable laws, international standards, its Corporate Articles of Association, the Code of Business Ethics, the Regulations of the Board of Directors and other Corporate Regulations and Policies, Solaria proposes the approval of this Remuneration Policy in order to obtain the transparent management of the remuneration system of the members of the Board of Directors.

The present Remuneration Policy complies with the provisions of article 46 of the Corporate Articles of Association and article 26 of the Regulations of the Board of Directors and it replaces the previous remuneration policy dated 30 June 2022 approved the General Shareholders’ Meeting.

The Appointments and Remunerations’ Committee has prepared the specific report referred to in article 529 novodecies of the LSC which is made available to shareholders in the manner provided therein.

For the purposes provided for in article 529 septdecies of the LSC, the Policy that is submitted to approval by the Meeting includes the maximum annual remuneration amount payable to the directors as a whole in their capacity as such in each of the three financial years to which the Policy refers.

Similarly, for the purposes provided for in article 529 octodecies of the LSC, the Policy submitted to the approval of the Board includes, with respect to directors with executive duties, the annual fixed remuneration amount and its variation in the period, as well as the absence of any variable components and contracts of an employment, commercial or service nature.

The Board of Directors has decided to amend the remuneration that all Directors have been receiving in recent years, in order to adapt the remuneration to the current economic situation of the company and to the market standards of comparable companies.

With this in mind, it is proposed to update the annual remuneration of the Directors in the manner set out below:

- Chairman: € 180,000
- Directors: € 110,000

Notwithstanding the foregoing, the CEO will continue to receive a symbolic remuneration of €1.

Chapter II - Validity

This Remuneration Policy for Company Director is valid for three years, in other words, it is established for the financial years of 2023, 2024 and 2025.

A new proposal must be submitted to the General Shareholders' Meeting for approval within three years, unless the General Shareholders' Meeting adopts a resolution amending this Remuneration Policy prior to said date.

Chapter III - Principles underlying the Remuneration Policy

The purpose of this Remuneration Policy is to define the Company's remuneration practices for its Directors, putting into place a remuneration system appropriate to the dedication and responsibilities assumed by them, in such a way as to contribute to the creation of value for its shareholders in a manner which is sustainable in the long-term.

The Remuneration Policy of the Company is based on the following principles:

- a) The putting into place of an incentivising remuneration framework to remunerate the dedication, qualification and responsibility of the Directors, in such a way as it allows the attraction and retaining of talent which contributes to the creation of value for the Company's shareholders and the achievement of its objectives.

- b) Guaranteeing the independent judgment of the Directors, especially with respect to the Independent Directors.
- c) Transparency in the information about the remuneration of the members of the Board of Directors of the Company.
- d) Avoiding situations involving conflicts of interest, through a set of obligations deriving from their duties of due diligence, loyalty and information.
- e) Sustainability and adherence to the values and characteristics of the Company, promoting the long-term profitability and sustainability of the Company and incorporating the necessary precautions to avoid the excessive assumption of risks and the rewarding of unfavourable results.
- f) The remuneration of the Directors shall be determined in a proportion which is reasonable in line with the size of the Company, the economic situation it is in at any time and the market standards of comparable companies.
- g) The Appointments and Remunerations' Committee will ensure compliance with the Remuneration Policy, periodically reviewing it and proposing to the Board such amendments or updates that are deemed necessary for its submission to the General Meeting.
- h) The Board of Directors, at the proposal of the Appointments and Remunerations' Committee, will determine, within the limit set by the General Meeting and in accordance with the Remuneration Policy, the amount to be paid annually to each Director.

Chapter IV - Remuneration of Directors for their status as such

With regard to the remuneration of Directors for their status as such, the remuneration system is provided for in article 46 of the Corporate Articles of Association, consisting of a fixed annual allowance approved by the General Meeting.

Irrespective of the above, the remuneration of the Directors may also consist of the submission of shares, option rights over them or be referred to the value of the shares, subject to a resolution by the General Shareholders Meeting which must express at least those aspects foreseen in article 219 of the Corporations' Act.

The determination of the remuneration of each director in his/her capacity as such shall pertain to the Board of Directors in accordance with the Remuneration Policy which has borne in mind to this end the duties and responsibilities assigned to each Director, whether they belong to the Committees of the Board and any other objective circumstances that they deem to be relevant.

Taking the above into account, all Directors are expected to receive fixed remuneration of 110,000 euros per year, with the exception of:

- Mr. Enrique Díaz Tejeiro, in his capacity as the Chairman of the Board of Directors: 180,000 euros per annum.
- Mr. Arturo Díaz-Tejeiro Larrañaga, in his capacity as First Deputy Chairman of the Board of Directors and CEO: 1 euro per year.

The remuneration received by the Directors in their capacity as such will be compatible with the other payments deriving from the employment, commercial or service relationship that any of the Directors may have, as the case may be, with the Company, whether or not they have been assigned executive duties, without prejudice to the fact that said remuneration items must be in accordance with the Remuneration Policy. However, as of the date of this Remuneration Policy, none of the Directors has an employment, commercial or service relationship with the Company (without prejudice to the contract signed between the Company and the CEO for the purposes of the provisions of article 249 of the Corporations' Act, which will be in force until its termination or rescission) and hence no remuneration is received for said items.

The Company shall also pay the civil liability insurance of the Directors under the usual conditions proportionate to the circumstances of the Company itself.

The Directors have not been assigned variable remuneration, bonuses or other benefits in any of their forms, nor do they receive other items besides those specified in this section.

Chapter V - Remuneration of Directors for their executive duties

Pursuant to the provisions of article 529 octodecimo of the LSC, the remuneration of Directors for the performance of executive duties shall be in accordance with this Remuneration Policy for Directors.

The Board of Directors is empowered to determine the remuneration of the Directors for the performance of executive duties and the terms and conditions of their contracts with the Company in accordance with the provisions of article 249.3 of the LSC and with the Remuneration Policy for Directors approved by the General Meeting.

As at the date of this Remuneration Policy, the sole Executive Director of the Company is not remunerated and thus does not receive any remuneration for the exercising of his/her executive duties.

The foregoing is assumed to be without prejudice to the payments of the civil liability insurance premiums that the Company has taken out for all its Directors, as well as the medical insurance that it has contracted for the Executive Director, under the usual conditions and proportional to the circumstances of the Company itself, nor the reimbursement of current expenses incurred by all the Directors to attend the meetings of the Board, its Committees or during the performance of their position as directors.

The Company reimburses the CEO, once the respective receipts and/or supporting documents have been obtained, any amount for travel, accommodation, subsistence or any other expenses that he/she has incurred on behalf of the Company as a result of the performance of his position as CEO. In this regard, it is noted that the CEO has a card to pay for any petrol expenses incurred by the performance of his/her position.

The Company will not pay any compensation as a result of the removal of the CEO.

In the event that, during the term of this Remuneration Policy, any other Executive Director joins the Board of Directors, it shall be duly reviewed, subject to a report from the Appointments and Remunerations' Committee and, where necessary, the attendant amendment to the Remuneration Policy shall be proposed to the General Shareholders' Meeting.

Chapter VI - Maximum annual remuneration amount of the Directors

The maximum annual remuneration to be received by the members of the Board of Directors amounts to 620,001 euros, an amount that pertains entirely to the anticipated fixed remuneration amount for the Directors in their capacity as such.

The aforementioned limit does not include the payments of any civil liability insurance premiums that the Company may take out for its Directors, under the usual conditions and proportional to the circumstances of the Company itself, nor the reimbursement of any day-to-day expenses incurred by the Directors to attend the sessions of the Board, its Committees or during the performance of their positions.

The total remuneration amount that the Company may pay to all its Directors will not exceed the amount approved by the General Shareholders' Meeting, which will be maintained as long as it is not amended by any new resolution of the General Meeting, in accordance with the provisions of the Corporations' Act.

Chapter VII - Relationship of the Policy with the remuneration and employment conditions of Solaria employees

For the purposes of establishing the remuneration conditions for Directors, set out in this Remuneration Policy, the remuneration strategy applicable to Company employees has been taken into account.

In this regard, the Remuneration Policy applicable to directors is aligned with that of the workforce, remunerating them for the amount that they contribute to Solaria.

Solaria's remuneration policy guarantees non-discrimination on the grounds of sex, age, culture, religion and race or any other circumstance. In this regard, the remuneration of the Company's employees is established based on their professional worth, experience, dedication and the responsibility assumed. The remuneration is characterised by a fixed component and another variable one.

Chapter VIII - Temporary exceptions to the application of the Policy

The Board of Directors of the Company, at the proposal of the Appointments and Remunerations' Committee, may approve the application of temporary exceptions to the Remuneration Policy in situations when this is necessary to serve the long-term interests and the sustainability of the Company as a whole or to ensure its feasibility.

In this regard, it will be necessary for the Board of Directors to have a prior report from the Appointments and Remunerations' Committee assessing the circumstances that make it necessary to apply the temporary exceptions and the specific remuneration that must be subject to exception or modification.

The Board, after reviewing the prior report of the Appointments and Remunerations' Committee, shall determine whether or not there are grounds to apply the temporary exceptions, as well as the components that are affected thereby.

In any case, the Company will include in its Annual Report on the Directors' Remunerations information about the exceptional situation which has led the Board to approve the application of the temporary exception, as well as the remunerations that would have been affected.

Chapter IX - Decision-making process for the definition, review and application of the Remuneration Policy

A. Bodies involved in decision-making on the Remuneration Policy:

1. General Shareholders' Meeting:

In accordance with the provisions of articles 217, 219, 529 septdecies and 529 novodecies of the LSC, the following duties pertain to the General Shareholders' Meeting:

- To approve the Remuneration Policy for Directors, at least every three years.
- To determine the maximum annual remuneration amount payable to all directors in their capacity as such.
- To approve separately the incentive plans that involve the handover of shares or financial instruments pertaining to shares, or remuneration referenced to the value of the shares.

2. Board of Directors:

In accordance with the provisions of articles 249 and 249 bis of the LSC, the Board of Directors has the following non-delegable powers:

- Any decisions pertaining to the remuneration of directors, within the framework of the articles of association and the remuneration policy approved by the General Shareholders' Meeting.
- The approval of the contract of the executive directors detailing, inter alia, all the items for which they can obtain remuneration for the performance of executive duties, including any possible compensation for early termination of said duties and the amounts payable by the Company by way of insurance premiums or contributions to savings systems.

3. The Appointments and Remunerations' Committee:

This assumes the main role in the determination, application and review of the Remuneration Policy.

a) Determination of the Remuneration Policy:

- To propose to the Board of Directors the Remuneration Policy for directors, as well as its periodic review and update.
- To propose to the Board of Directors the system and amount of the annual remunerations of directors, for submission to the General Shareholders' Meeting.

- To propose to the Board of Directors, for its approval, the individual remuneration of executive directors and the other basic terms of their contracts, including any compensation or indemnities that may be determined in the event of removal, and the amounts to be paid by the Company by way of insurance premiums or contributions to savings systems, in accordance with the provisions of the internal regulations of the Company and the Remuneration Policy for Directors in force at any time.

b) Application of the Remuneration Policy:

- To propose to the Board of Directors the objectives to which the annual variable remuneration is linked at the start of each year, if said variable remuneration exists, and to evaluate its compliance once it has ended. Following this evaluation, the Remuneration Committee draws up a proposal for annual variable remuneration which is submitted to the approval of the Board of Directors.
- To propose to the Board of Directors the cancellation of the payment or, as the case may be, the refund of the variable components of the remuneration of the executive directors based on the results when said components have been paid in line with data whose inaccuracy has subsequently and clearly been demonstrated, as well as, where appropriate, the filing of claims and other measures that apply.
- To periodically review the conditions of the executive directors' contracts and to verify their consistency with current remuneration policies.

c) Review of the Remuneration Policy:

- To periodically review the Remuneration Policy for Directors, including the remuneration systems with shares and their application, verifying that it is consistent with the specific circumstances of the Company and that it is aligned with its short, medium and long-term strategy and with the market conditions, assessing whether it contributes to the creation of sustainable value and appropriate risk management and control.

d) Transparency of the Remuneration Policy:

- To prepare and submit to the Board of Directors for its approval the Annual Report on Directors' Remunerations and to verify the information on directors' remuneration, contained in the corporate documents, in the annual report and accounts and in the interim financial statements of the Company .

4. Ethics, Compliance and ESG Committee:

This Committee is responsible for supervising the sustainability strategy and objectives and monitoring their implementation and evaluating the degree of achievement of the objectives set, based on the information periodically provided by the Sustainability Department.

B. Measures to avoid conflicts of interest

In relation to the measures established to detect, determine and resolve any possible conflicts of interest, article 30 of the Regulations of the Board of Directors defines the cases of conflicts of interest and establishes the rules to which said situations are subject.

Chapter X - Consistency with the company's strategy, interests and sustainability

The characteristics of the Remuneration Policy that guarantee consistency with the Company's strategy, interests and long-term sustainability are detailed below.

The design of the Remuneration Policy is consistent with the Company's strategy and it is aimed at obtaining long-term results:

- The total remuneration of directors is made up of a fixed remuneration. There is no variable remuneration or other remuneration components besides those described in this Policy.
- The executive director does not receive any remuneration over and above the fixed remuneration which, owing to his/her status as a director, is attributed to him/her based on this Policy.
- The Appointments and Remunerations' Committee is responsible for reviewing, analysing and supervising the application of the Remuneration Policy. Senior managers also fall within the purview of the Committee. This group includes professionals whose activities may have a significant impact on the entity's risk profile.
- As indicated above, the Appointments and Remunerations' and Ethics, Compliance and ESG Committees take part in the decision-making process in relation to the remuneration of directors.
- The Appointments and Remunerations' Committee is made up entirely of directors who are, in turn, members of the Audit Committee, the body responsible for supervising and evaluating the Group's risks, including non-financial risks. The presence of common directors on both committees guarantees that the risks associated with remuneration are taken into account in the discussions of both committees and in the proposals presented to the Board, both to determine and to evaluate the Remuneration Policy.

- The Policy includes an ex-post control of the variable remuneration of Senior Management (malus and clawback) if the circumstances described in the Executive Remuneration Policy occur.
- The Remuneration Policy and its application is subject to a periodic review process by the Appointments and Remunerations' Committee in order to ensure (i) its consistency with the specific circumstances of the Company, (ii) its alignment with the strategy in the short, medium and long term of the Group and with market conditions and (iii) appropriate risk management and control.

Chapter XI - Annual remuneration amount of the Directors

The Board of Directors will approve annually, subject to a proposal by the Appointments and Remunerations' Committee, the Annual Report on Directors' Remunerations. Said Report will be put to the vote, which shall be of an advisory nature and as a separate item on the agenda of the General Shareholders' Meeting and it will be published at the Company's website as a result of the convening of said Meeting.

In the event that the Annual Report on Directors' Remunerations is rejected in the advisory vote of the Ordinary General Meeting, the Remuneration Policy applicable to the following financial year must be subject to the approval of the General Meeting prior to its application, even if its term of validity has not elapsed, unless this has been approved at said same Ordinary General Meeting.

Chapter XII - Review and supervision of the Remuneration Policy

The remuneration considered in this Remuneration Policy maintains an adequate proportion and promotes the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive assumption of risks or which reward unfavourable results, and ensuring the alignment of the interests of the Directors with those of the Company and its shareholders, without compromising the independence of the Directors.

Notwithstanding the foregoing, the Board of Directors will review the validity of this Remuneration Policy in order to guarantee its adaptation to the principles inspired thereby and, where applicable, it will propose to the General Shareholders' Meeting those amendments that it deems necessary, subject to a report from the Appointments and Remunerations' Committee.

In addition, the Appointments and Remunerations' Committee will ensure compliance with the Remuneration Policy, proposing to the Board its update or modification based on the Company's needs.

Madrid: 24 May 2023

The Board of Directors of SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.