



REPORT ON RELATED-PARTY TRANSACTIONS OF SOLTEC POWER HOLDINGS, S.A. IN 2021

1. Applicable Regulation

In accordance with Recommendation 6 of the Spanish Code of Good Governance for Listed Companies (“**CNMV**”), the Audit Committee of SOLTEC POWER HOLDINGS, S.A. (hereinafter “**SOLTEC**”, “**SPH**” or “**Company**”) drafts this report on related-party transactions in financial year 2021, which will be published on SOLTEC’s website prior to convening the next Ordinary General Meeting of Shareholders.

Pursuant to article 529 *terdecies* of the Spanish Capital Companies Act (“**LSC**”), and in accordance with Article 5 of SPH’s Board of Directors, one of the powers that may not be delegated by the Board of Directors is the approval, following reception of an audit committee report, of related transactions, as they are defined by the law applicable at any given time.

The interpretation applied is that of the Spanish Capital Companies Act following its 2021 amendment, which reworded ¹ Art. 231 of the LSC to establish who should be considered as related to the administrators or individuals. They are as follows:

- a) The spouse or domestic partner of the administrator.
- b) The ascendants, descendants and siblings of the administrator or the spouse of the administrator.

¹ New wording of Article 231 of LSC with Law 5/2021, dated 12, amending the revised text of the Spanish Capital Companies Act, approved by Spanish Royal Legislative Decree 1/2010 on July 2.

- c) The spouse of the ascendants, descendants and siblings of the administrator.
- d) The companies or entities in which the administrator directly or indirectly holds, including through an intermediary, a shareholding that gives them a significant influence or holds a position in the managing body or senior management of such entities or their parent company. For these purposes, significant influence is presumed to be conferred by any holding equal to or greater than 10% of the share capital or voting rights or by virtue of which de jure or de facto representation on the company's managing body has been obtained.
- e) The shareholders represented by the administrator on the managing body.

It also defines a related party transaction as follows: transactions made between the company or its subsidiaries with (i) commissioners, (ii) shareholders holding 10% or more of the voting rights (the threshold used to be 3% due to the reference to shareholders holding a "significant number of shares") or represented in the board of directors, or (iii) any other persons who must be considered related parties in accordance with NIC1.

2. Policy on conflicts of interest and related party transactions of SPH and its group of companies

In light of the above, the Company's Board of Directors adopted in 2021 the "***Policy on conflicts of interest and related party transactions of Soltec Power Holdings S.A. and its group of companies***" (hereinafter the "***Policy***"). The above-mentioned policy is published on the Company's website.

In that sense, this Policy includes key aspects and commitments of the Company and its Group in this regard, in order to implement what is established in the existing Board of Directors Regulation and in Soltec's Internal Code of Conduct in the Securities Markets, approved by the Company's Board of Directors at its meeting held on 6 October 2020.

With regards to related party transactions, the Policy regulates the notification and authorization procedure applicable to those transactions that the Company or any company within the Group carries out (i) with the Directors, (ii) with the other Subject Persons, (iii) with shareholders or, as the case may be, group companies and their directors, holding 10% or more of the voting rights or represented on the Company's Board of Directors ("Significant Shareholders"), or (iv) with their respective Related Persons, and the purpose of which is any transfer of funds, services, financial instruments or obligations, regardless of whether or not there is any consideration ("**Related Party Transactions**").

The shareholders at the General Meeting will be responsible for approving:

- Related Party Transactions whose amount or value (of the total transactions envisaged in a framework agreement or contract, where applicable) is equal to or greater than 10% of the total assets in accordance with the latest annual balance sheet approved by the Company.
- Related Party Transactions where the business or transaction related thereto, by its very nature, is legally reserved to the competence of this body.

When the shareholders at the General Meeting are called to decide on a Related Party Transaction, the shareholder who is affected will not be allowed to vote, except in cases where the proposed resolution has been approved by the Company's Board of Directors without the majority of the independent Directors voting against the resolution.

As for the Board of Directors, it is responsible for approving:

- All other Related Party Transactions.

Approval by the Board may be given with the participation of Directors who are related to and represent the parent company, in which case, if the decision or vote of such Directors is decisive for approval, it will be up to the Company and, where applicable, to the Directors affected by the conflict of interest to prove that the resolution is in accordance with corporate interest in the event that it is challenged and that they used due diligence and loyalty if their responsibility is demanded.

The approval of Related Party Transactions may be delegated by the Board of Directors to its Committees or to members of Senior Management² as long as they relate to:

- a) Transactions performed in the ordinary course of the Company's business, including those resulting from the execution of a framework agreement or contract, and concluded on an arm's length basis. In this case, the Board of Directors must implement an internal procedure, in which the Audit Committee must participate, to assess compliance with these requirements on a regular basis.
- b) Transactions between Group companies carried out in the ordinary course of business and on an arm's length basis;
- c) Transactions entered into under contracts with standard terms and conditions that are applied indiscriminately to a large number of customers, that are performed at prices or rates established generally by the party acting as the supplier of the goods or services in question, and whose amount does not exceed 0.5% of the Company's revenue.

The performance of any Related Party Transaction will be submitted, in all cases, for authorization by the Company's managing body in accordance with that established in the previous sections, following a favorable report from the Audit Committee, in which the Directors who may be affected may not participate.

² The delegation is carried out, in accordance with article 529 duovicies of the Corporate Enterprises Act as amended by Spanish Law 5/2021.

3. Related Party Transactions in financial year 2021

In 2021, it was not necessary to request the authorization of the Board of Directors for any of these transactions³. During this financial year there were no significant related party transactions, neither in terms of their amount or subject matter. In 2021, a series of warehouse lease contracts and loans formalized with the Sefran Corporate Group, S.L. remained valid prior to going public. Section 15.1 of the Report provides more accurate information on the amount and nature of these transactions.

4. Information on controlled transactions

For further information on related party transactions of the Company, it is possible to consult the Company's Annual Corporate Governance Report and Consolidated Annual Accounts corresponding to financial year 2021.

In accordance with applicable regulations, this did not include consolidated intra-group transactions (that is, between companies within the Group), which were eliminated from consolidated financial statements and are part of the Company's routine business activities.

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³ Chapter 2.9 of the Annual Accounts shows the Transactions and balances, both intra-group and with related parties, which did not require authorization by the Board of Directors for accounting purposes.