



ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER IDENTIFICATION DATA

End date of the reporting period: [31/12/2022]

Tax number (CIF): [A05556733]

Company name:

[**SOLTEC POWER HOLDINGS, S.A.**]

Registered office:

[(MOLINA DE SEGURA MURCIA)]

A. OWNERSHIP STRUCTURE

- A.1. Complete the following table on the share capital and voting rights attributed, including, where applicable, those corresponding to shares with loyalty voting rights, as at the end of the financial year:

Indicate whether the company's articles of association contain a provision for double loyalty voting:

Yes

No

Date of last modification	Share capital (€)	Number of indirect	Number of voting rights
27/10/2020	22,846,679.25	91,386,717	91,386,717

Indicate whether there are different classes of shares with different rights attached to them:

Yes

No

- A.2. List the direct and indirect holders of significant shareholdings at the end of the reporting period, including directors with significant shareholdings:

Name or company name of the shareholder	% of voting rights attributed to shares		% voting rights through financial instruments		Total % of voting rights
	Direct	Indirect	Direct	Indirect	
JOSÉ FRANCISCO MORENO RIQUELME	0.00	42.27	0.00	0.00	42.27
RAÚL MORALES TORRES	0.01	19.58	0.00	0.00	19.59
INVESCO LTD.	0.00	1.83	1.07	0.00	2.89
FTIF-TEMPLETON GLOBAL CLIMATE CHANGE FUND	3.09	0.00	0.00	0.00	3.09

Details of indirect shareholding:

Name or company name of the indirect holder	Name or company name of the direct holder	% voting rights attributed to shares	% voting rights through financial instruments	Total % of voting rights
JOSÉ FRANCISCO MORENO RIQUELME	GRUPO CORPORATIVO SEFRAN S.L.	42.27	0.00	42.27

Indicate the most significant movements in the shareholder structure during the year:

Most significant movements

- SWEDBANK ROBUR FONDER AB Sale of shares below the threshold of "significant shareholding" in the company 18/05/2022 2.939%
- INVESCO LTD. Modifies its "significant shareholding" in the company on 31/01/2022 to 2.409%, on 02/02/2022 to 2.397%, on 03/02/2022 to 2.397%, on 23/02/2022 to 2.325%, on 15/03/2022 to 2.732%, on 12/04/2022 to 2.446%, on 12/07/2022 to 2.729%, on 21/07/2022 to 2.690%, on 02/08/2022 to 2.848%, on 15/08/2022 to 3.031%, on 19/08/2022 at 2.999%, on 29/08/2022 at 2.952%, on 21/09/2022 to 3.223%, on 23/09/2022 to 3.216%, on 25/10/2022 to 2.928%, on 16/11/2022 to 2.939%, on 17/11/2022 to 2.933%, on 18/11/2022 to 3.010%, on 19/12/2022 to 2.942%, on 21/12/2022 to 2.891% and on 22/12/2022 to 2.891%.
- SCHRODERS PLC changes its "significant shareholding" in the company on 20/01/2022 to 5.170%, and on 23/05/2022 to 4.705%.
- SCHRODERS PLC Sale of shares below the threshold of "significant shareholding" in the company on 22/11/2022 to 2.803%
- FTIF-TEMPLETON GLOBAL CLIMATE CHANGE FUND Purchase of shares above the threshold of a "significant holding" in the company on 19/04/2022 Total 3.087%

A.3. List the shareholdings, whatever the percentage, at year-end of the members of the board of directors who hold voting rights attributed to shares in the company or through financial instruments, excluding the board members identified in section A.2 above:

Name or company name of director	% voting rights attributed to shares (including loyalty votes)		% voting rights through financial instruments		Total % of voting rights	Of the total % of voting rights attached to the shares, indicate, if applicable, the % of additional votes attached to the shares that correspond to actions with loyalty voting	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
JOSÉ FRANCISCO MORALES TORRES	0.02	0.00	0.00	0.00	0.02	0.00	0.00

total % of voting rights held by members of the board of directors

19.62

Details of indirect shareholding:

Name or company name of director	Name or company name of the direct holder	% voting rights attributed to shares (including loyalty votes)	% voting rights through financial instruments	Total % of voting rights	Of the total % of voting rights attributed to the shares, indicate, if applicable, the % of additional votes attached to the shares that correspond to the shares with loyalty voting
No data					

Give details of the total percentage of voting rights represented on the board:

total % of voting rights represented on the board of directors	61.87
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The following significant shareholders are represented on the Board of Directors:

- Raúl Morales Torres. Total: 19.59%
- José Francisco Moreno Riquelme. Total: 42.27%

The Director, Mr Marcos Sáez Nicolás, is the direct holder of 0.005% of the share capital.

A.4. Indicate, where applicable, any family, commercial, contractual or corporate relationships between the holders of significant shareholdings, insofar as they are known to the company, unless they are of little relevance or derive from the ordinary course of business, except for those reported in section A.6:

Related name or company name	Type of relationship	Brief description
No data		

A.5. Indicate, where applicable, any relationships of a commercial, contractual or corporate nature that exist between the holders of significant shareholdings and the company and/or its group, unless they are of little relevance or derive from the ordinary course of business:

Related name or company name	Type of relationship	Brief description
RAÚL MORALES TORRES	Corporate	Raúl Morales Torres is a significant shareholder and Chief Executive Officer and Chairman of the Board of Directors
GRUPO CORPORATIVO SEFRAN S.L.	Contractual	In the first quarter of 2022, Soltec Development S.A.U. (formerly Powertis S.A.U.), a wholly-owned subsidiary of Soltec Power Holdings S.A., has taken out

Related name or company name	Type of relationship	Brief description
		a credit facility agreement with Grupo Corporativo Sefran S.L. and has made drawdowns of €10.55m.

A.6. Describe the relationships, unless of little relevance to both parties, that exist between the significant shareholders or shareholders represented on the board and the directors, or their proxies in the case of directors that are legal entities.

Explain, if applicable, how significant shareholders are represented. Specifically, indicate those directors who have been appointed in representation of significant shareholders, those whose appointment has been promoted by significant shareholders, or who are related to significant shareholders and/or entities of their group, specifying the nature of such relationships. In particular, mention shall be made, where appropriate, of the existence, identity and position of board members, or representatives of directors of the listed company who are also members of the board of directors, management, or their representatives, in companies that hold significant shareholdings in the listed company or in entities in the group of such significant shareholders:

Name or company name of director or representative, linked	Name or company name of the shareholder significant related party	Company name of the company in the group of the significant shareholder	Relationship/position description
MR JOSÉ FRANCISCO MORALES TORRES	MR RAÚL MORALES TORRES	VALUETEAM S.L.	Mr José Francisco Morales Torres is a proprietary director representing the significant shareholder Mr Raúl Morales Torres. Raúl and José are brothers.
MR RAÚL MORALES TORRES	MR RAÚL MORALES TORRES	VALUETEAM S.L.	Raúl Morales Torres holds 19.58% of the shares through his company Valueteam S.L. and 0.01% of the shares directly. Raúl is also CEO and Chairman of the Board of Directors.
MR MARCOS SÁEZ NICOLÁS	JOSÉ FRANCISCO MORENO RIQUELME	GRUPO CORPORATIVO SEFRAN S.L.	Marcos Sáez Nicolás is a proprietary director representing a significant shareholder José Fco. Moreno Riquelme. Marcos Sáez Nicolás has an extensive and long-standing employment relationship

Name or company name of director or representative, linked	Name or company name of the shareholder significant related party	Company name of the company in the group of the significant shareholder	Relationship/position description
			with Mr José Fco. Moreno, being Executive Director of Zukán S.L.U., a company belonging to the group of the significant shareholder.
MS MARINA MORENO DÓLERA	JOSÉ FRANCISCO MORENO RIQUELME	GRUPO CORPORATIVO SEFRAN S.L.	Marina Moreno Dólera is a proprietary director representing the significant shareholder José Francisco Moreno Riquelme. Marina is the daughter of Mr José Francisco Moreno.

A.7. Indicate whether the company has been notified of any shareholders' agreements that affect it in accordance with the provisions of Articles 530 and 531 of the Capital Companies Act. If so, briefly describe them and list the shareholders bound by the agreement:

Yes
 No

Indicate whether the company is aware of the existence of concerted actions among its shareholders. If so, briefly describe them:

Yes
 No

If during the financial year there has been any modification or termination of such covenants or agreements or concerted actions, please state this expressly:

[N/A]

A.8. Indicate whether there is any individual or legal entity that exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Law. If so, identify them:

Yes
 No

A.9. Complete the following tables on the company's treasury stock:

As at the end of the financial year:

Number of direct shares	Number of indirect shares(*)	total % of social capital
547,426		0.60

(*) Through:

Name or company name of the direct holder of the interest	Number of direct shares
No data	

Explain the significant variations during the exercise:

Explain the significant variations

Soltec Power Holdings SA continues with the purchase of treasury shares during the financial year 2022, which started on 24/03/2021. As at 31/12/2022 its shareholding amounted to 0.599% of the share capital.

A.10. Give details of the conditions and term of the existing mandate from the shareholders' meeting to the board of directors to issue, buy back or transfer own shares:

"The General Shareholders Meeting, in its resolution of 6 October 2020, decided to authorise the Board of Directors of the Company so that, to the fullest extent required by law and with express powers of substitution in favour of the Chief Executive Officer or any other director or proxy of the Company, to develop, formalise, execute and settle, where appropriate, the Executive Incentive Plan, which was approved by the General Shareholders Meeting in the same act; adopting such resolutions and signing such documents, public or private, as may be necessary or appropriate for its full effect, with the power even to rectify, correct, amend or supplement this resolution, and in general, to adopt such resolutions and take such actions as may be necessary or merely appropriate for the proper finishing of this resolution and the implementation, execution and liquidation of the Incentive Plan, including, by way of example but not limited to, the following powers:

- [...]
- (G) Draw up, sign and present any communications and complementary documentation that may be necessary or appropriate before any authority or body for the purposes of the implementation, execution or liquidation of the Incentive Plan.
 - (H) Carry out any action, declaration or management before any body or authority to obtain any authorisation or verification necessary for the implementation, execution or liquidation of the Incentive Plan.
 - (I) Draw up, sign, grant and, where appropriate, certify any type of document relating to the Incentive Plan, including, but not limited to, signing and modifying any contracts with entities that provide any services necessary or appropriate for the development of the Incentive Plan.
 - (J) Draft and publish any and all announcements as may be necessary or advisable.
 - (K) And, in general, to carry out as many actions and sign as many documents as may be necessary or appropriate for the validity, effectiveness, implementation, development, execution, liquidation and successful finding of the Incentive Plan and of the previously adopted resolutions.

This agreement is made with no time limitation other than that which derives from the validity of the Incentive Plan. Since the Incentive Plan consists of remuneration to executives in the form of the Company's own shares, it is included in the section on "Incentives" (K) a power for the Board of Directors to implement a plan to repurchase the Company's own shares in order to execute and settle the Incentive Plan."

In addition, by resolution of the Universal Shareholders Meeting of 13 October 2020, the AGM resolved to authorise the Board of Directors to derivatively acquire treasury shares and to dispose of them after the date of admission to trading on the stock exchange. Acquisition may be by purchase, exchange, gift, donation, allotment or by way of dation in payment and, in general, by any other form of acquisition for valuable consideration of outstanding and fully paid-up shares permitted by law. Shares may be acquired by any of the methods described above, once or several times, provided that the shares acquired, when added to those held by the Company, do not exceed 10% of the share capital. The price or consideration will range from a minimum of 0.01 euro to a maximum of 105% of the quoted price of the Company's shares on the Continuous Market at the time of acquisition or the closing price of the last trading session prior to the acquisition, if the acquisition takes place outside the hours of the Continuous Market. The period of validity of the authorisation shall be five years from the day after the date of this agreement.

It is expressly stated for the record that the shares acquired as a result of this authorisation may be used for their disposal or redemption, for potential corporate or business transactions, or for their delivery directly to the employees or directors of the Company, or as a result of the exercise of option rights held by them, in accordance with the provisions of the third paragraph of section 1.a) of article 146 of the Corporations Act.

A.11. Estimated free float:

	%
Estimated free float	32.21

A.12. State whether there are any restrictions (statutory, legislative or otherwise) on the transferability of securities and/or any restrictions on voting right. In particular, indicate the existence of any type of restrictions that may hinder the taking of control of the company through the acquisition of its shares on the market, as well as any prior authorisation or notification regimes that may be applicable to acquisitions or transfers of the company's financial instruments under sectoral regulations.

Yes
 No

A.13. Indicate whether the general meeting has resolved to adopt neutralisation measures against a takeover bid pursuant to the provisions of Law 6/2007.

Yes
 No

If applicable, explain the measures adopted and the terms under which the ineffectiveness of the restrictions will occur:

A.14. Indicate whether the company has issued securities that are not traded on a regulated market in the European Union.

Yes
 No

If applicable, indicate the different classes of shares and, for each class of shares, the rights and obligations attaching to it:

B. GENERAL MEETING

B.1. Indicate and, if applicable, detail whether there are any differences with the minimum regime provided for in the Capital Companies Act (LSC) with regard to the quorum required for the constitution of the general shareholders' meeting:

Yes
 No

B.2. Indicate and, if applicable, detail whether there are any differences with the system provided for in the Capital Companies Act (LSC) for the adoption of corporate resolutions:

Yes
 No

B.3. Indicate the rules applicable to the amendment of the company's articles of association. In particular, state the majorities required for the amendment of the statutes and, where appropriate, the rules laid down for the protection of the rights of members in the amendment of the statutes.

The rules for amending the articles of association and the majorities required to do so do not differ from those established in the Spanish Corporations Act.

B.4. Indicate the attendance figures for the general meetings held in the financial year to which this report refers and those of the two previous financial years:

Date of the general meeting	Attendance data				Total
	% physical presence	% in representation	% distance voting		
			Electronic voting	Other	
28/07/2020	100.00	0.00	0.00	0.00	100.00
Of which free float	0.00	0.00	0.00	0.00	0.00
24/06/2021	0.00	0.00	84.73	0.12	84.85
Of which free float	0.00	0.00	0.00	0.00	0.00
23/06/2022	20.33	11.71	42.35	0.17	74.56
Of which free float	0.75	11.71	0.08	0.17	12.71

The General Shareholders Meeting was held exclusively by telematic means in 2021 due to the health situation. Of the 84.85% of the definitive quorum, 63.38% was "present" at the Meeting, understood as "connected by electronic means to the telematic attendance platform for the Meeting" and 21.47% was represented by one of the shareholders "present". Virtually all shareholders present or represented by proxy cast their votes by telematic means.

B.5. Indicate whether at the general meetings held during the year there have been any items on the agenda that, for whatever reason, have not been approved by the shareholders:

Yes
 No

B.6. Indicate whether there are any restrictions in the articles of association establishing a minimum number of shares required to attend the general meeting, or to vote remote voting:

Yes
 No

B.7. Indicate whether it has been established that certain decisions, other than those established by law, involving an acquisition, disposal, the contribution to another company of essential assets or other similar corporate operations, must be submitted to the general meeting of shareholders for approval:

Yes
 No

B.8. Indicate the address and mode of access on the company's website to information on corporate governance and other information on general meetings that must be made available to shareholders through the company's website:

<https://soltecpowerholdings.com/es/corporate-governance/consejo/>
<https://soltecpowerholdings.com/es/corporate-governance/junta-de-accionistas/>

C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors provided for in the articles of association and the number fixed by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors fixed by the board	7

C.1.2 Complete the following table with the board members:

Name or company name of director	Representative	Category of director	Board position	Date of first appointment	Date of last appointment	Election procedure
MS NURIA ALIÑO PÉREZ		Independent	DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
MS MARÍA SICILIA SALVADORES		Independent	DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
MR FERNANDO CABALLERO DE LA SEN		Independent	INDEPENDENT LEAD DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
MR JOSÉ FRANCISCO MORALES TORRES		Proprietary	DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
MR RAÚL MORALES TORRES		Executive	CHAIRMAN - MANAGING DIRECTOR	02/12/2019	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
MR MARCOS SÁEZ NICOLÁS		Proprietary	DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING

Name or company name of director	Representative	Category of director	Board position	Date of first appointment	Date of last appointment	Election procedure
MS MARINA MORENO DÓLERA		Proprietary	DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING

Total number of directors	7
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Indicate any resignations from the board of directors during the reporting period, whether due to resignation or by resolution of the general meeting:

Name or company name of director	Category of director at the time of termination	Date of last appointment	Date of leaving	Specialised Commissions of which was a member	Indicate whether the termination took place before the finish date of the mandate
No data					

Cause of removal, if before the end of the term of office and other observations; information on whether the director has sent a letter to the other board members and, in the case of removals of non-executive directors, explanation or opinion of the director who has been removed by the general meeting

There have been no resignations or dismissals during the period under review.

C.1.3 Complete the following tables on board members and their different categories:

EXECUTIVE DIRECTORS		
Name or company name of director	Position in the company's organisation chart	Profile
MR RAÚL MORALES TORRES	Chief Executive Officer	Raúl Morales is the founder and CEO of Soltec. For more than a decade, he has led Soltec to become one of the largest manufacturers and suppliers of single-axis solar trackers. With extensive experience in the solar PV industry, Morales combines his passion for renewable energy with a commitment to driving productivity through innovation and attracting talent.

Total number of executive directors	1
% of total board	14.29

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of director	Name or corporate name of the significant shareholder he/she represents or who has proposed its appointment	Profile
MR JOSÉ FRANCISCO MORALES TORRES	VALUETEAM S.L.	José Francisco M. Torres is the founder of Seguidores Solares Planta 50 S.L., dedicated to the production of photovoltaic energy and specialist advisor to companies in the renewable sector. He is an economist with 42 years' experience in the fiscal and accounting consultancy sector. His extensive experience makes him a good candidate to be an advisor to Soltec Power Holdings.
MR MARCOS SÁEZ NICOLÁS	GRUPO CORPORATIVO SEFRAN S.L.	Marcos Sáez is the managing director of Zukán S.L.U. During his more than 20 years' experience, Sáez has worked as CFO of Soltec for 14 years, where he managed to boost the company's sales. He has also worked as a consultant or financial director of the companies of Grupo Corporativo Sefran S.L.
MS MARINA MORENO DÓLERA	GRUPO CORPORATIVO SEFRAN S.L.	Marina Moreno has more than 5 years' experience in positions of responsibility in finance departments. Moreno has worked at Soltec as a collaborator in financial analysis and remains as an advisor to Zukán S.L.U. on organisational and sustainability aspects. At Zukán he has also worked in the operations, logistics, production and finance departments.

Total number of proprietary directors	3
% of total board	42.86

INDEPENDENT PROPRIETARY DIRECTORS	
Name or company name of director	Profile
MS NURIA ALIÑO PÉREZ	Nuria Aliño has extensive experience in investment banking with more than 20 years working in developed and developing markets. She has worked as Managing Director at BBVA Corporate and Investment Banking and in 2016 she joined the World Bank Group. She currently works as a Global Digital Finance Services Specialist at IFC-World Bank and is focused on digital transformation.
MS MARÍA SICILIA SALVADORES	María Sicilia is the Strategy Director of Enagás, a world leader in gas infrastructures, which is part of the IBEX35. She has worked at Iberdrola Renovables as head of regulatory affairs and market analysis and foresight for renewable energies in 23 countries and as deputy director general of Energy Planning at the Ministry of Industry, Energy and Tourism of the Spanish Government
MR FERNANDO CABALLERO DE LA SEN	Fernando Caballero is Managing Director responsible for AON's Risk Consulting Services and Solutions in Spain. He is also in charge of coordinating the AGCR initiatives in LATAM and Portugal and has over 8 years' experience with the big four accounting and consultancy firms

INDEPENDENT PROPRIETARY DIRECTORS	
Name or company name of director	Profile
	in the region. Caballero is also a proactive member of the Institute of Internal Auditors in Spain

Total number of independent proprietary directors	3
% of total board	42.86

Indicate whether any director classified as independent receives from the company, or from the same group, any amount or benefit for an item other than director's remuneration, or maintains or has maintained, during the last financial year, a business relationship with the company or with any company in its group, either in his own name or as a significant shareholder, director or senior manager of an entity that maintains or has maintained such a relationship.

Where appropriate, a reasoned statement by the board as to why it considers that such director is able to perform his duties as an independent director shall be included.

Name or company name of director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS			
The other external directors shall be identified and the reasons why they cannot be considered proprietary or independent and their links, whether with the company, its management or its shareholders, shall be detailed:			
Name or company name of director	Motives	Company, officer or shareholder with whom the relationship is maintained	Profile
No data			

Total number of other external directors	N.A.
% of total board	N.A.

Indicate the changes, if any, that have occurred during the period in the category of each director:

Name or company name of director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with information on the number of female directors at the end of the last 4 financial years, as well as the category of such directors:

	Number of female directors				% of the total number of directors in each category			
	Financial year 2022	2021	2020	Financial year 2019	Financial year 2022	2021	2020	Financial year 2019
Executives				N.A.	0.00	0.00	0.00	N.A.
Proprietary	1	1	1	N.A.	33.33	33.33	33.33	N.A.
Services	2	2	2	N.A.	66.67	66.67	66.67	N.A.
Other External				N.A.	0.00	0.00	0.00	N.A.
Total	3	3	3	N.A.	42.86	42.86	42.86	N.A.

C.1.5 Indicate whether the company has diversity policies in relation to the company's board of directors with regard to issues such as, for example, age, gender, disability, professional background and experience. Small and medium-sized entities, in accordance with the definition contained in the Audit Act, shall report, as a minimum, on the policy they have in place in relation to gender diversity.

- Yes
 No
 Partial policies

If applicable, describe these diversity policies, their objectives, the measures and the manner in which they have been implemented and their results for the year. Specific measures taken by the board of directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors should also be disclosed.

If the company does not apply a diversity policy, explain the reasons why it does not do so.

Description of policies, objectives, measures and how they have been implemented, as well as the results obtained

In order to ensure the transparency of its selection processes, in financial year 2021 the Board of Directors approved a Diversity Policy for the Board Members with the aim of ensuring that the Board of Directors has a diversity of skills, knowledge, experience, backgrounds, nationalities, age and gender. The selection of candidates, based on an analysis of the Company's needs, shall seek to ensure that the composition of the Board of Directors is diverse and balanced as a whole, enriching decision-making and bringing a plurality of viewpoints to the debate on matters within its competence. In this regard, the Board of Directors assumes the commitment to promote diversity in its composition and, to this end, in the selection of candidates for directors. Candidates whose appointment favours directors with different skills, knowledge, experience, origins, nationalities, age and gender will be valued. Diversity criteria will be chosen with regard to the nature and complexity of the Group's businesses, as well as the social and environmental context in which it operates. In addition, depending on the needs of the Board of Directors, other criteria may be taken into consideration. In the selection process of candidates, any bias that may imply any discrimination, inter alia, on grounds of sex, ethnic origin, age or disability, shall be avoided. The Board of Directors shall periodically assess the degree of compliance with and the effectiveness of its diversity policy and, in particular, the percentage of female directors, in the review of which it shall always prioritise their merit and ability as an essential criterion that must prevail in the selection process, in order to assess the degree of compliance with the corporate governance recommendations regarding the presence of female directors. During financial year 2022, full compliance with this diversity policy can be seen, as the Board of Directors presents a clear balance between the number of executive, proprietary and independent directors, a satisfactory percentage of female directors representing 42.86%, a wide range of ages, and a great diversity of training and professional backgrounds. In the opinion of the

Appointments and Remunerations Committee and the Board of Directors, the current composition of the Board fully complies with the Diversity Policy.

C.1.6 Explain the measures, if any, agreed by the nomination committee to ensure that the selection procedures do not suffer from implicit biases that hinder the selection of female directors, and that the company deliberately seeks out and includes among potential candidates, women who meet the professional profile sought and who enable a balanced presence of women and men to be achieved. Also indicate whether these measures include encouraging the company to have a significant number of senior managers:

Explanation of measures

The Board Member Diversity Policy was approved by the Board of Directors in the financial year 2021. This policy expressly includes the need to avoid any kind of bias in the candidate selection process that could entail any kind of discrimination, among others, on the grounds of gender, ethnic origin, age or disability.

It also states that the Board of Directors shall periodically assess the degree of compliance and effectiveness of its diversity policy and, in particular, the percentage of female directors, in the review of which it shall always prioritise their merit and ability as an essential criterion that must prevail in the selection process, in order to assess the degree of compliance with the corporate governance recommendations regarding the presence of female directors.

Currently, and since its formation, the composition of the Board has included 42.83% female directors. There is no implicit bias against the inclusion of women in these positions.

When, despite the measures taken, if any, there are few or no female directors or senior managers, explain the reasons for this:

Explanation of reasons

The number of female directors on the Board of Directors is high.

C.1.7 Explain the findings of the nomination committee on the verification of compliance with the policy aimed at promoting an appropriate composition of the board of directors.

As indicated in section C.1.5., in financial year 2021 the Board of Directors, following a favourable report from the Appointments and Remunerations Committee, approved the Diversity Policy for Members of the Board of Directors.

Said Policy establishes that the Board of Directors assumes the commitment to promote diversity in its composition and, to this end, in the selection of candidates for directors. Candidates whose appointment favours directors with different skills, knowledge, experience, origins, nationalities, age and gender will be valued.

In the opinion of the Appointments and Remunerations Committee, the current composition of the Board is diverse and balanced in terms of type of directors, age, gender, skills and knowledge. The Board of Directors is currently composed of 7 members, of which 1 is an Executive Director, 3 are Independent Directors and 3 are Proprietary Directors. There are three female directors and four male directors. The professional profiles are varied, ranging from people with experience and knowledge in the photovoltaic energy sector, as well as in other energy sources, to the banking sector, auditing and risk. At the same time, there is a wide age range.

For all these reasons, the Appointments and Remunerations Committee has concluded that the guidelines of the Diversity Policy are met in 2022.

In addition, the following has been indicated in the Board's evaluation report:

No deficiencies in gender diversity have been observed and therefore the provisions of article 529 quincecies 3 b) of the Corporations Act have been complied with:

"Establish a target for representation of the under-represented sex on the board and develop guidance on how to achieve this target"

As regards the distribution of directors by category (executive, proprietary, independent and other directors), the current composition complies with the recommended number of independent directors (one third), such that the board is fully counterbalanced between the number of proprietary and independent directors.

In the same vein, the composition of the Board has been designed to favour diversity of knowledge, experience and gender, with the Board being made up of people of different backgrounds, experience, age and knowledge.

During the year 2022, the composition of the Board of Directors has remained unchanged, in full compliance with the Diversity Policy.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed at the request of shareholders whose shareholding is less than 3% of the share capital:

Name or company name of the shareholder	Justification
No data	

Indicate whether formal requests for presence on the board from shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors have been appointed have not been met. If so, explain the reasons why these requests have not been met:

- Yes
 No

C.1.9 State the powers and authorities, if any, delegated by the board of directors, including those relating to the possibility of issuing or repurchasing shares, to directors or board committees:

Name or company name of director or committee	Brief description
RAÚL MORALES TORRES	As Chief Executive Officer, Mr Raúl Morales Torres has been delegated all the powers attributed to the company's governing body that are not non-delegable and that have not been reserved to the full Board by law, the Articles of Association or the Regulations of the Board of Directors.

C.1.10 Identify, if applicable, the board members who are directors, representatives of directors or executives in other companies that form part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	does it have executive functions?
MR RAÚL MORALES TORRES	Soltec Development, S.A.U.	Member of the Board of Directors	No
MR RAÚL MORALES TORRES	Soltec Innovations, S.L.U.	Sole Administrator	Yes
MR RAÚL MORALES TORRES	Soltec Energías Renovables, S.L.U.	Sole Administrator	Yes
MR RAÚL MORALES TORRES	Solar Trackers S.L.	Sole Administrator	Yes
MR RAÚL MORALES TORRES	Soltec Asset Management, S.L.U.	Chairman of the Board of Directors	No
MR RAÚL MORALES TORRES	Soltec Cap, S.L.U.	Sole Administrator	Yes

C.1.11 List any positions on the board, as administrator or manager held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identification of the director or representative	Company name of the entity, whether listed or not	Position
MR JOSÉ FRANCISCO MORALES TORRES	Solar Trackers Planta 50, S.L.U.	SOLE DIRECTOR
MR RAÚL MORALES TORRES	Valueteam S.L.	SOLE DIRECTOR
MR RAÚL MORALES TORRES	Valuehome S.L.	SOLE DIRECTOR
MR RAÚL MORALES TORRES	Murciana de Energía Solar S.L.	SOLE DIRECTOR
MS MARÍA SICILIA SALVADORES	Tubos Reunidos S.A.	DIRECTOR

Indicate, if applicable, any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the above table.

Identification of the director or representative	Other paid activities
MR FERNANDO CABALLERO DE LA SEN	Managing Director AON
MS MARÍA SICILIA SALVADORES	Director of Strategy and Planning with executive functions at Enagás S.A.
MS NURIA ALIÑO PÉREZ	Open Banking and Digital Transformation Specialist at World Bank Group - Adjunct Professor at IE University
MR JOSÉ FRANCISCO MORALES TORRES	Economist, as a freelance practitioner and Head of Internal Audit Department, as an employee.

C.1.12 Indicate and, if applicable, explain whether the company has established rules on the maximum number of company boards of which its directors may form part, identifying, if applicable, where it is regulated:

Yes
 No

Explanation of the rules and identification of the document where it is regulated

Directors may not sit on more than four Boards in addition to that of the company.

This limitation is contained in Article 21(2)(viii) of the Board of Directors' Regulations.

2. Directors must tender their resignation to the board of directors and, if the board deems it appropriate, formalise the corresponding resignation in the following cases:

(viii) When they sit on more than four boards of directors of other companies (other than the Company).

C.1.13 Indicate the amounts of the following items relating to the overall remuneration of the board of directors:

Remuneration accrued during the year to the Board of Directors (thousands of euros)	661
Amount of funds accumulated by current directors through long-term savings schemes with vested economic rights (thousands of euros)	

Amount of funds accumulated by current directors for long-term savings schemes with non-vested economic rights (thousands of euros)	8
Amount of funds accumulated by former directors through long-term savings schemes (thousands of euros)	

C.1.14 Identify the members of senior management who are not themselves executive directors, and indicate the total remuneration accrued to them during the financial year:

Name or company name	Position(s)
PABLO OTÍN PINTADO	Business Unit General Manager Soltec Development
JOSÉ FRANCISCO NÚÑEZ JIMÉNEZ	Chief Financial Officer
GABRIEL SEOANE SÁNCHEZ	Chief Organization Officer
SERGIO LÓPEZ OÑA	Business Unit General Manager Soltec Industrial
EDUARDO DE SAN NICOLÁS JUÁREZ	Chief Strategy Officer
ADA DE PAULA LAX RUIZ	Chief Marketing Officer
SILVIA AMATERATSU DÍAZ DE LASPRA MORALES	Chief Legal Officer
MERITXELL PÉREZ DE CASTRO ACUÑA	Investor Relations Director
CARLOS SALDAÑA REY	Risks Manager
FELIPE BOBILLO CARBONELL	Internal Audit Manager
JORGE GARCÍA GARCÍA	Chief Information Officer
FRANCISCO JAVIER ADIEGO ORERA	Business Unit General Manager Soltec Asset Management

Number of women in senior management	3
Percentage over total members of senior management	27.27
Total remuneration of senior management (in thousands of euros)	1,303

C.1.15 Indicate whether there have been any changes to the board's rules of procedure during the year:

- Yes
 No

C.1.16 Indicate the procedures for the selection, appointment, re-election and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be applied in each of the procedures.

Directors shall be appointed by the General Shareholders Meeting, or by the Board of Directors by co-option, following a report from the Appointments and Remunerations Committee or, in the case of independent directors, at the proposal of the latter, in accordance with the provisions contained in the applicable regulations, the Articles of Association and the Board of Directors' Regulations. The Board of Directors shall endeavour to ensure that the choice of candidates is made by persons of recognised solvency, competence and experience, and shall be extremely rigorous in relation to those persons called upon to fill the posts of independent director. The Board of Directors,

before proposing the re-election of directors to the General Shareholders Meeting, shall assess, with the abstention of the persons concerned, the quality of the work and dedication to office of the directors proposed during the previous term of office. Directors shall cease to hold office when the term for which they were appointed has expired, and when so decided by the General Shareholders Meeting in exercise of the powers conferred upon it by law or the Articles of Association. In the financial year 2021 the Board of Directors approved a Diversity Policy for the board members, as mentioned above.

C.1.17 Explain to what extent the annual evaluation of the board has led to significant changes in its internal organisation and in the procedures applicable to its activities:

Description modifications

Following the evaluation of the Board of Directors carried out at the end of 2021, an action plan was established to be developed and implemented throughout 2022. At the end of the year 2022, the Board was again evaluated and the degree of compliance with the action plan was checked. The results of this evaluation are as follows:

The majority of directors are of the opinion that the 2022 Action Plan has been partially fulfilled, with some aspects needing to be further developed during the 2023 financial year. Below we detail the progress implemented in relation to each of the points of the Action Plan approved at the end of 2021 for the 2022 financial year.

- a) With regard to the commitment to the directors having available the documentation corresponding to the matters included in the Agenda, previously established for each meeting, the Company has made progress in this aspect throughout the year 2022. However, the need to continue improving in this aspect during the financial year 2023 has been established.
- b) In cases of presentation of complex financial results or operations, where the information is very extensive, a commitment was made in 2022 that drafts would be circulated prior to the final document, so that the information could be reviewed in a timely manner by the directors, regardless of the variations in the final document. These drafts were generally circulated during 2022, and for 2023 the need for further improvement in this area has been highlighted.
- c) -In relation to financial information, and in accordance with the established action plan, a format for the presentation of information has been agreed and applied that contains a structure for reviewing the group's economic data through the design of a more synthetic scorecard, without losing the availability of the information provided, so that the directors are aware of it in a more concise way the Company and its group's situation and prospects are presented in an easier, more intuitive way, as well as a progress report.
- d) -Regular information has been provided on the progress of the various projects, and working meetings have been held on a regular basis prior to Board meetings in order to discuss in depth the most relevant operations.
- e-f) In-depth work has been carried out on the analysis of strategic sensitivity and strategic projects, culminating in the approval of the Strategic Plan 2022-2025.
- g) The directors have actively participated in different events held in the sector, with the aim of deepening their knowledge of the sector.

Describe the evaluation process and the areas evaluated by the board of directors, assisted, where appropriate, by an external consultant, with respect to the functioning and composition of the board and its committees and any other area or aspect that has been subject to evaluation.

Description of the evaluation process and areas evaluated

The Board evaluation process was carried out at the end of the 2022 financial year, and was led by the Secretary of the Board and the Lead Director, in accordance with art. 529 septies of the Corporations Act.

The evaluation was carried out in two formats, in writing and via oral interview. In the written format, the directors responded anonymously to the standard questions contained in a survey sent to them by written communication, and a subsequent session was held face-to-face, without a structured format, with each of the directors, which gave rise to dialogue and open proposals. The process ended, as a novelty this year, with an additional survey in which each director evaluates each of the other board members, with the aim of achieving a more complete, in-depth evaluation with a 360° perspective.

Once the evaluation had been carried out, a report was drawn up, which was commented on and approved by the Board of Directors, as well as an Action Plan with the aim of correcting the deficiencies detected during the evaluation process.

C.1.18 For those years in which the evaluation has been assisted by an external consultant, a breakdown of the business relationships that the consultant or any company in its group has with the company or any company in its group.

The company has not yet conducted a board assessment with the assistance of an external consultant in any financial year, given that it commenced trading in 2020. An assessment of the board with the assistance of an external consultant is envisaged for the 2023 financial year.

C.1.19 Indicate the cases in which directors are obliged to resign.

- (i) When they leave the executive positions with which their appointment as director was associated.
- (ii) When they are involved in any of the cases of incompatibility or prohibition provided for by law or the Articles of Association.
- (iii) When they are seriously reprimanded by the board of directors for having breached their duties as directors.
- (iv) When their continued presence on the board of directors could jeopardise or damage the interests, credit or reputation of the Company or when the reasons for which they were appointed cease to exist, including, without limitation, when there are significant changes in their professional situation or in the conditions under which they were appointed as directors.
- (v) When they are accused or prosecuted in criminal proceedings or are the subject of disciplinary proceedings for serious or very serious misconduct by the supervisory authorities.
- (vi) In the case of proprietary directors (i) when the shareholder they represent sells its entire shareholding or reduces it significantly and, (ii) in the corresponding number, when such shareholder reduces its shareholding to a level that requires a reduction in the number of proprietary directors.
- (vii) When, due to acts attributable to the director, their continued presence on the board of directors causes serious damage to the company's assets or reputation in the opinion of the board.
- (viii) When they sit on more than four boards of directors of other companies (other than the Company).

C.1.20 Are qualified majorities, other than legal majorities, required for any kind of decision?

- Yes
 No

If applicable, please describe the differences.

C.1.21 Explain whether there are specific requirements, other than those relating to directors, to be appointed chairman of the board of directors:

- Yes
 No

C.1.22 Indicate whether the articles of association or the board regulations establish any age limit for directors:

- Yes
 No

C.1.23 Indicate whether the articles of association or the board regulations establish a limited term of office or other more stringent requirements in addition to those legally established for independent directors, other than those established in the regulations:

- Yes
 No

C.1.24 Indicate whether the articles of association or the regulations of the board of directors establish specific rules for proxy voting in the board of directors in favour of other directors, the manner of doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limitations have been established as to the categories to which proxies may be granted, beyond the limitations imposed by law. If so, give a brief description of these rules.

In accordance with the Rules of Procedure of the Board of Directors, the directors shall make every effort to attend the meetings of the Board of Directors and, if they are unable to do so in person, they shall grant their proxy in writing, especially for each meeting, to another member of the Board of Directors, including the appropriate instructions and voting directions, and inform the Chairman of the Board of Directors thereof. Non-executive directors may only be represented by another member of the board of directors with the same status. Directors' absences from board meetings shall be quantified in the annual corporate governance report.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the board has met without the attendance of its chairman. In the computation, proxies made with specific instructions shall be considered as attendances.

Number of board meetings	11
Number of board meetings without the chairman's attendance	0

Indicate the number of meetings held by the lead director with the other directors, without the attendance or representation of any executive director:

Number of meetings	0
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Indicate the number of meetings held during the year by the various board committees:

Number of Audit Committee meetings	12
Number of Appointments and Remuneration Committee meetings	4
Number of Appointments and Remunerations Committee meetings	6

C.1.26 Indicate the number of meetings held by the Board of Directors during the financial year and the attendance data of its members:

Number of meetings attended in person by at least 80% of the directors	11
Attendance in person as a % of total votes during the financial year	100.00
Number of meetings attended in person, or representations made with specific instructions, by all directors.	11
% of votes cast with physical attendance and proxies made with specific instructions, out of the total number of votes cast during the year	100.00

C.1.27 Indicate whether the individual and consolidated annual accounts submitted to the board for formulation are previously certified:

Yes
 No

Identify, if applicable, the person(s) who has/have certified the individual and consolidated annual accounts of the company, for their formulation by the board:

C.1.28 Explain the mechanisms, if any, established by the board of directors to ensure that the annual accounts submitted by the board of directors to the general meeting of shareholders are drawn up in accordance with accounting regulations.

The Board of Directors has delegated the supervision of the company's financial and non-financial information to the Audit Committee and internal control mechanisms (ICFR) have been established, given that all the financial and non-financial information that is proposed for the Board's approval is subject to a prior favourable report by the Audit Committee. In addition, the company's internal audit function performs periodic audits of the financial statements of the subsidiaries in accordance with its annual audit plan. In addition, all published information is reviewed and validated by our external auditors.

C.1.29 Does the secretary of the board have the status of director?

Yes
 No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
SILVIA AMATERATSU DÍAZ DE LASPRA MORALES	

C.1.30 Indicate the specific mechanisms established by the company to preserve the independence of the external auditors, as well as, if any, the mechanisms to preserve the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

Independence of the Auditor

Sections 14v and 14 vi of the Regulations of the Board of Directors establish the relations with the auditors in order to receive information on those matters that may jeopardise their independence, for examination by the audit committee, and any other matters related to the process of auditing the accounts and, where appropriate, the authorisation of services other than those prohibited, in the terms set out in the applicable regulations, as well as any other communications provided for in the legislation on auditing the accounts and in the remaining auditing standards. In any case, the audit committee must receive annually from the auditors written confirmation of their independence from the Company and entities directly or indirectly related to it, as well as detailed and individualised information on additional services of any kind rendered and the corresponding fees received from these entities by the external auditor or by the persons or entities related to it, in accordance with the provisions of legislation on auditing of accounts.

In this regard, a report shall be issued annually, prior to the audit report, expressing an opinion on whether the independence of the auditors or audit firms is compromised. This report shall in any case give an opinion on the provision of the additional services referred to in the preceding paragraph, individually and as a whole, other than the statutory audit and in relation to the independence regime or to the audit regulations.

The Audit Committee's activity report includes an assessment of the independence of the external auditor, verifying that there are no grounds for incompatibility or abstention, as well as prohibitions, and that any threats to their independence have been correctly identified and assessed.

- Independence financial analysts, investment banks and rating agencies

The principles underlying the company's relationship with financial analysts and investment banks are based on transparency, simultaneity and non-discrimination, and always in strict compliance with securities market regulations. The company also takes care not to compromise or interfere with the independence of financial analysts in respect of the services provided by investment banks, in accordance with the internal codes of conduct established by the banks themselves and aimed at separating their analytical and advisory services.

C.1.31 Indicate whether the Company has changed external auditors during the financial year. If so, identify the incoming and outgoing auditors:

Yes
 No

Outgoing auditor	Incoming auditor
Deloitte S.L.	Ernst & Young S.L.

If there were disagreements with the outgoing auditor, explain the content of these disagreements:

Yes
 No

C.1.32 Indicate whether the audit firm performs other non-audit work for the company and/or its group and if so, state the amount of fees received for such work and the percentage that the above amount represents of the fees invoiced for audit work to the company and/or its group:

Yes
 No

	Company	Group Companies	Total
Amount of other non-audit work (thousands of euros)	54	79	133
Amount of non-audit work / Amount of audit work (in %)	20.00	35.00	27.00

The amount of other non-audit work mainly includes the amount of other non-audit services such as limited review of the consolidated financial statements as at 30 June, verification of the non-financial information in the Integrated Report and the report on the Internal Financial Reporting Control System.

C.1.33 Indicate whether the audit report on the annual accounts for the previous year is qualified. If so, indicate the reasons given to the shareholders at the General Meeting by the chairman of the audit committee to explain the content and scope of such qualifications.

Yes
 No

C.1.34 Indicate the number of consecutive years that the current audit firm has been auditing the individual and/or consolidated annual accounts of the company. Also indicate the percentage that the number of financial years audited by the current audit firm represents of the total number of financial years in which the annual accounts have been audited:

	Individuals	Consolidated
Number of uninterrupted exercises	1	1

	Individuals	Consolidated
No. of years audited by the current audit firm / No. of years that the company or its group has been audited (in %)	33.33	33.33

C.1.35 Indicate whether there is a procedure to ensure that directors have the necessary information to prepare for meetings of the governing bodies in sufficient time and, if so, provide details:

Yes
 No

Details of the procedure

The company sends the notices to the board of directors as far in advance as possible and in any case exceeding the minimum limit of three days established in the Board of Directors' Regulations. Once the invitations to the board or commissions have been sent out, the company or the chairmen promote working meetings to identify all those aspects that require a higher level of information than that provided, or so that the directors can ask clarifying questions or request information in addition to that provided. At all times, the company promotes contact between the directors and the company's senior management, so that the directors have a direct contrast between the information to be approved and the internal management. The rules of procedure of the Board provide for the option for all directors to seek the advice necessary for the performance of their duties. In addition, the board promotes continuous advice through the secretary and the legal advisor. In addition, the Action Plan drawn up following the Board's evaluation process in 2022 includes the need to continue to improve in this area, as well as the commitment to ensure that information is provided to Directors as far in advance as possible for their consideration prior to Board or Board Committee meetings.

C.1.36 Indicate whether the company has established rules obliging directors to inform and, where appropriate, to resign when situations arise that affect them, whether or not related to their actions in the company itself, which could damage the credit and reputation of the company:

Yes
 No

Explain the rules

Directors must tender their resignation to the board of directors and, if the board deems it appropriate, formalise the corresponding resignation in the following cases:

- (i) When they leave the executive positions with which their appointment as director was associated.
- (ii) When they are involved in any of the cases of incompatibility or prohibition provided for by law or the Articles of Association.
- (iii) When they are seriously reprimanded by the board of directors for having breached their duties as directors.
- (iv) When their continued presence on the board of directors could jeopardise or damage the interests, credit or reputation of the Company or when the reasons for which they were appointed cease to exist, including, without limitation, when there are significant changes in their professional situation or in the conditions under which they were appointed as directors.
- (v) When they are accused or prosecuted in criminal proceedings or are the subject of disciplinary proceedings for serious or very serious misconduct by the supervisory authorities.
- (vi) In the case of proprietary directors (i) when the shareholder they represent sells its entire shareholding or reduces it significantly and, (ii) in the corresponding number, when such shareholder reduces its shareholding to a level that requires a reduction in the number of proprietary directors.

C.1.37 Indicate, unless special circumstances have arisen which have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to his or her performance in the company itself, which could damage the credit and reputation of the company:

Yes
 No

C.1.38 List any significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company following a takeover bid, and their effects.

Nothing worthy of mention

C.1.39 Identify individually, in the case of directors, and in aggregate in all other cases, and indicate, in detail, the agreements between the company and its directors, management or employees that provide for indemnities, guarantee or golden parachute clauses, when they resign or are unfairly dismissed or if the contractual relationship is terminated by a takeover bid or other transaction.

Number of beneficiaries	1
Type of beneficiary	Description of the agreement
Chief Operating Officer	In the event of a structural modification of the company or change of ownership involving a change of control, whatever its form, the chief executive officer, if he/she chooses to leave his/her post, shall be entitled to receive compensation equal to twice the amount of the last total annual remuneration received, which shall include fixed remuneration, variable remuneration, long-term incentive plans, and all rights and benefits that may have been established.

Indicate whether, apart from the cases provided for in the regulations, these contracts must be reported to and/or approved by the bodies of the company or its group. If so, specify the procedures, the cases envisaged and the nature of the bodies responsible for approval or communication:

	Board of Directors	Shareholders Meeting
Body authorising the clauses	V	
	Yes	No
Is the General Meeting informed of the clauses?	V	

C.2. Board committees

C.2.1 List all the committees of the board of directors, their members and the proportion of executive, proprietary, independent and other external directors on them:

Audit Committee		
Name	Position	Category
MS NURIA ALIÑO PÉREZ	MEMBER	Independent
MR FERNANDO CABALLERO DE LA SEN	CHAIRMAN	Independent
MR JOSÉ FRANCISCO MORALES TORRES	MEMBER	Proprietary

% of executive directors	0.00
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% of proprietary directors	33.33
% of independent directors	66.67
% of directors other external	0.00

Explain the functions, including, if applicable, those additional to those provided for by law, attributed to this committee, and describe the procedures and rules of organisation and operation thereof. For each of these functions, indicate its most important actions during the financial year and how it has exercised in practice each of the functions attributed to it, either in law or in the articles of association or in other corporate resolutions.

- To report to the General Shareholders Meeting on matters within its competence and, in particular, on the outcome of the audit.
- Supervise the effectiveness of the internal control of the Company and its group, the internal audit and risk management systems, both financial and non-financial, and discuss with the auditor any significant weaknesses in the internal control system detected during the course of the audit, without compromising the auditor's independence.
- Supervise the process of preparing and presenting regulated and non-financial financial information and submit recommendations or proposals to the board of directors.
- Propose to the board of directors, for submission to the General Shareholders Meeting, the selection, appointment, re-election or replacement of the auditors, in accordance with applicable regulations, as well as the terms and conditions of their engagement, and to seek regular information about the audit plan and its implementation, as well as protect their independence in the exercise of their functions.
- Establish appropriate relations with the auditors to receive information on issues that may jeopardise their independence, for examination by the audit committee, and any other issues related to the process of auditing the accounts.
- Annually issue, prior to the audit report, a report expressing an opinion on whether the independence of the auditors or audit firms is compromised. This report shall in any case give an opinion on the provision of the additional services referred to in the preceding paragraph, individually and as a whole, other than the statutory audit and in relation to the independence regime or to the audit regulations.
- Report, in advance, to the board of directors on all matters provided for by law, in the articles of association and in the regulations of the board of directors and, in particular, on: (i) the financial information that the Company must periodically disclose; (ii) the creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories that are considered tax havens; and (iii) related-party transactions.
- Overseeing the Company's internal audit activity, supervising the internal audit plan and verifying that the main risk areas, both financial and non-financial, of the business have been considered in this plan.
- In relation to information systems and internal control: (a) supervise the preparation process and the integrity of the financial information relating to the Company and, where appropriate, the group; (b) ensure the independence of the unit that assumes the internal audit function, propose the selection, appointment, reappointment and removal of the head of the internal audit service; receive regular information on the execution of the annual work plan, and (c) establish and supervise a mechanism that allows employees or other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report, either confidentially or anonymously, any potentially significant irregularities, including financial and accounting irregularities, or any other type of irregularity related to the company that they notice within the Company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the whistle-blower and the reported party.
- In relation to the external auditor: (a) in the event of resignation, examine the circumstances; (b) ensure that their remuneration does not compromise quality or independence; (c) supervise that the Company notifies the CNMV of the change of auditor and accompanies it, if appropriate, with a statement on the possible existence of disagreements with the outgoing auditor and the content thereof; (d) ensure that the external auditor meets annually with the plenary session of the board of directors to report to it on the work performed and the evolution of the Company's situation; (e) ensure that the Company and the external auditor respect the rules in force on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, the other rules on auditor independence.
- Ensure that the annual accounts submitted by the board of directors to the General Shareholders Meeting are drawn up in accordance with accounting regulations and that in those cases in which the auditor has included a qualification in its audit report, the chairman of the audit committee clearly explains the audit committee's opinion on their content and scope at the general meeting.
- Summon any employee or officer of the Company, including arranging for them to appear without the presence of any other officer.
- Check that the financial and non-financial information published on the Company's corporate website is permanently updated.
- Periodically assess the need for a separate area for risk control and management.
- Define the procedure for selecting the statutory auditor.

For further information, please refer to the annual report of the audit committee, which will be published on the company's website

Identify the directors who are members of the audit committee who have been appointed on the basis of their knowledge and experience in accounting and/or auditing and report on the date of appointment of the chairman of the audit committee to the position.

Names of experienced directors	NURIA ALIÑO PÉREZ / JOSÉ FRANCISCO MORALES TORRES
Date of appointment of the chairman in office	06/10/2021

Sustainable Development Committee		
Name	Position	Category
MS NURIA ALIÑO PÉREZ	CHAIRMAN	Independent
MS MARÍA SICILIA SALVADORES	MEMBER	Independent
MS MARINA MORENO DÓLERA	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of directors other external	0.00

Explain the functions delegated or attributed to this committee other than those already described in section C.1.9, and describe the procedures and rules of organisation and operation of the committee. For each of these functions, indicate its most important actions during the financial year and how it has exercised in practice each of the functions attributed to it, whether by law, in the Articles of Association or in other corporate resolutions.

- Supervise compliance with the Company's corporate governance rules and internal codes of conduct, and ensure that the corporate culture is aligned with its purpose and values.
- Oversee the implementation of the general policy on financial, non-financial and corporate reporting as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the Company communicates and interacts with small and medium-sized shareholders will also be monitored.
- The evaluation and periodic review of the corporate governance system and of the company's environmental and social policy, so that they fulfil their mission of promoting the social interest and take into account the legitimate interests of other stakeholders, as appropriate.
- Monitor that the company's environmental and social practices are in line with the fixed strategy and policy.
- Monitor and evaluation of stakeholder engagement processes.
- Monitor the Company's performance in matters of corporate reputation and report thereon to the Board of Directors as appropriate.
- Prior to its approval, report on the annual corporate governance report and the statement of non-financial information of the Company, obtaining for this purpose the necessary reports from the audit committee and the appointments and remunerations committee in relation to the sections of said report that fall within the scope of their competencies.
- Report on proposals to amend the regulations of the board of directors and the code of ethics.
- Issue the reports and carry out the actions which, within its sphere of competence, may additionally correspond to it, in accordance with the corporate governance system, or which may be requested by the board of directors or its chairman.
- Assume the functions attributed to it in the code of ethics.

Appointments and Remuneration Committee		
Name	Position	Category
MS NURIA ALIÑO PÉREZ	MEMBER	Independent
MS MARÍA SICILIA SALVADORES	CHAIRMAN	Independent

Appointments and Remuneration Committee		
Name	Cargo	Category
MR FERNANDO CABALLERO DE LA SEN	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of directors other external	0.00

Explain the functions, including, if applicable, those additional to those provided for by law, attributed to this committee, and describe the procedures and rules of organisation and operation thereof. For each of these functions, indicate its most important actions during the financial year and how it has exercised in practice each of the functions attributed to it, either in law or in the articles of association or in other corporate resolutions.

- Assess the skills, knowledge and experience required on the board of directors. For this purpose, it shall define the functions and skills required of the candidates to fill each vacancy and assess the time and dedication necessary for them to perform their duties effectively, taking into account a competency matrix drawn up in advance which defines the most appropriate functions, skills, knowledge and experience for the job.
- Analysing the other occupations of each director of the Company, ensuring that the directors devote sufficient time in practice and, if this is not the case, proposing the appropriate measures.
- Establish a representation target for the under-represented gender on the board and develop guidance on how to achieve this target.
- Submit proposals to the board of directors for the appointment of independent directors for appointment by co-option or for submission to the decision of the General Shareholders Meeting, as well as proposals for the re-election or removal of such directors by the General Shareholders Meeting.
- Report on proposals for the appointment of the remaining directors for appointment by co-option or for submission to the decision of the General Shareholders Meeting, as well as proposals for their re-election or removal by the General Shareholders Meeting.
- To report on proposals for the appointment, reappointment and dismissal of senior management and the basic conditions of their contracts.
- Examine and organise the succession of the chairman of the board of directors and the chief executive of the Company and, if appropriate, make proposals to the board of directors for such succession to take place in an orderly and planned manner, in consultation with the chairman of the Company, and involving the lead director, if any, and provided that he is not a member of the appointments and remunerations committee.
- Propose to the board of directors the remuneration policy for directors and general managers or those who perform their duties as executive personnel reporting directly to the board of directors, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive directors, checking and ensuring compliance therewith.
- Verify compliance with the Company's remuneration policy.
- Periodically review the remuneration policy applied to directors and senior management, including share-based remuneration schemes and their implementation, and ensure that their individual remuneration is proportionate to that paid to other directors and senior management.
- Propose to the board of directors a policy for the selection of directors and, where appropriate, senior management, which should contain measures to encourage the company to have a significant number of senior managers.
- Ensure that any conflicts of interest do not prejudice the independence of the external advice provided to the Commission.
- Verify the information on directors' and senior management remuneration contained in the various corporate documents, including the annual remuneration report.

For further information, please refer to the annual report of the Appointments and Remunerations Committee, which will be published on the company's website

C.2.2 Complete the following table with information on the number of female directors on the board committees at the end of the last four financial years:

	Number of female directors							
	Financial year 2022		Financial year 2021		Financial year 2020		Financial year 2019	
	Number	%	Number	%	Number	%	Number	%
Audit Committee	1	33.33	1	33.33	N.A.	N.A.	N.A.	N.A.
Sustainable Development Committee	3	100.00	3	100.00	N.A.	N.A.	N.A.	N.A.
Appointments and Remuneration Committee	2	66.67	2	66.67	N.A.	N.A.	N.A.	N.A.

C.2.3 Indicate, if applicable, the existence of regulations of the board committees, the place where they are available for consultation, and any amendments made during the year. Also indicate whether an annual report on the activities of each committee has been prepared on a voluntary basis.

The committees, their composition, functions and organisation are regulated in the Regulations of the Board of Directors. The three committees have drawn up annual activity reports for the 2022 financial year.

D. RELATED-PARTY AND INTRA-GROUP TRANSACTIONS

D.1. Explain, if applicable, the procedure and competent bodies for the approval of related-party and intragroup transactions, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the directors or shareholders affected and detailing the procedures internal reporting and periodic control systems established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

It is the responsibility of the General Shareholders Meeting to approve:

- Related-party transactions whose amount or value (of the set of transactions provided for in a framework agreement or contract, if any) is equal to or exceeds 10% of the total asset items according to the latest annual balance sheet approved by the Company.
- When the business or transaction in which the Related Party Transaction consists, by its very nature, is legally reserved to the competence of this body.

The Governing Board shall be responsible for approving:

- The other related-party transactions.

Approval by the Board may be made 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 shall 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 the corporate interest in the event that it is challenged and that they used due diligence and loyalty in the event that their liability is claimed.

The approval of related-party transactions may be delegated by the Board of Directors to its Committees or to members of Senior Management, provided that the transactions in question are:

- Transactions entered into 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 shall implement an internal procedure for the periodic evaluation of compliance with the aforementioned requirements, in which the Audit Committee shall be involved.
- Transactions between Group companies carried out in the ordinary course of business and on an arm's length basis;
- Transactions entered into under contracts whose standardised conditions are applied *en masse* to a large number of customers, are made at prices or rates generally established by the party acting as supplier of the good or service in question, and whose amount does not exceed 0.5 per cent of the Company's net turnover.

The approval of the related-party transactions referred to in b) and c) above shall not require a prior report from the Audit Committee.

However, the Board of Directors shall establish an internal reporting and periodic control procedure in relation thereto, in which the audit committee shall be involved and which shall verify the fairness and transparency of such transactions and, where appropriate, compliance with the legal criteria applicable to the aforementioned exceptions.

In financial year 2021, the Related-Party Transactions Policy was approved and is available on the corporate website, where the approval process for related-party transactions is developed in more detail.

At the time of writing this report, the Company is in the process of drawing up the necessary internal procedure for the periodic reporting and control of related-party transactions that may be delegated by the Board of Directors.

D.2. List individually those transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the company's board of directors, indicating which body was competent to approve them and whether any shareholder or director affected abstained. In the event that the board was competent, indicate whether the proposed resolution was approved by the board without the majority of independent directors voting against:

	Name or company name of the shareholder or of any of its subsidiaries	% Participation	Name or company name of the company or dependent entity	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the board, if any, has been approved by the board without a dissenting vote of the majority of independent directors
(1)	GRUPO CORPORATIVO SEFRAN S.L.	42.27	Soltec Development, S.A.U.	10,550	Board of Directors	Marina Moreno Dólera and Marcos Sáez Nicolás	Yes

	Name or company name of the shareholder or of any of its companies dependent	Nature of the relationship	Type of operation and other information necessary for the assessment of the operation
(1)	GRUPO CORPORATIVO SEFRAN S.L.	Contractual	During the first quarter of 2022, Soltec Development S.A.U. (formerly Powertis S.A.U.) has made drawdowns on the credit facility granted by Grupo Corporativo Sefran S.L. amounting to €10,550,000.

There have been no significant related-party transactions during the year in terms of amount or subject matter. A number of warehouse lease and loan agreements entered into with Grupo Corporativo Sefran, S.L. prior to the IPO remain outstanding in 2021. A more detailed breakdown of the amount and nature of these transactions is given in section 15.1 of the Notes to the Financial Statements.

D.3. List individually the transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the directors or executives of the company, including those transactions carried out with entities that the director or executive controls or jointly controls, and indicate which body was competent to approve them and whether any shareholder or director affected abstained. In the event that the board was competent, indicate whether the proposed resolution was approved by the board without the majority of independent directors voting against:

Name(s) or company name(s) of the director(s) or manager(s) or their controlled or jointly controlled entity(ies)	Name or company name of the company or dependent entity	Relation	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the board, if any, has been approved by the board without the majority of independent directors voting against
No data						

Name(s) or company name(s) of the director(s) or manager(s) or their controlled companies or companies under joint control	Nature of the operation and other information necessary for the assessment of the operation
No data	

Nothing worthy of mention

D.4. Report on an individual basis on the intra-group transactions that are significant due to their amount or relevant due to their subject matter carried out by the company with its parent company or with other entities belonging to the parent company's group, including the listed company's own subsidiaries, except that no other related party of the listed company has an interest in such subsidiaries or such subsidiaries are wholly owned, directly or indirectly, by the listed company.

In any case, any intra-group transactions carried out with entities established in countries or territories considered to be tax havens shall be reported:

Company name of the group entity	Brief description of the operation and other information necessary for the assessment of the operation	Amount (thousands of euros)
No data		

- D.5. List individually any transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties in accordance with International Accounting Standards as adopted by the EU, which have not been reported under the previous headings.

Company name of related party	Brief description of the operation and other information necessary for the assessment of the operation	Amount (thousands of euros)
No data		

- D.6. List the mechanisms in place to detect, determine and resolve possible conflicts of interest between the company and/or its group, and its directors, executives, significant shareholders or other related parties.

The Rules of Procedure of the Board of Directors expressly establish a mechanism for identifying and resolving conflicts as detailed in Article 29. In 2021, the Company approved a Policy on Conflicts of Interest and Related-Party Transactions, available on the corporate website, where this point is developed in more detail.

- D.7. Indicate whether the company is controlled by another entity within the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its filiates, business relationships with that entity or any of its filiates (other than those of the listed company) or engages in activities related to those of any of them.

Yes
 No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's financial and non-financial Risk Control and Management System, including those of a fiscal nature.

Integrated risk management at Soltec is aligned with the requirements established in ISO 31000, which can be summarised as follows: diagnose, analyse and address risks arising from internal changes within a framework of continuous improvement and with the full involvement of Soltec's top management, thus linking up with Soltec's structure and culture.

This integrated risk management at Soltec allows us to make our processes more efficient by maintaining a risk profile aligned with our global and integrated business model, reporting in a transparent manner the main risks faced by the company or that may affect the achievement of our Group's objectives.

The main objective of risk management at Soltec is to identify, determine, quantify and monitor all business risks, applying an overall view of the different companies in the Company, with the aim of applying the optimal mitigating measures to eliminate or reduce the probability and/or severity of the threats identified, as well as taking advantage of the opportunities.

The risk management defined and implemented by Soltec is fully aligned with international reference standards, taking as fundamental principles:

- management leadership, which provides the necessary resources and ensures that the Company works in accordance with these principles;
- teamwork: integrating all the Group's companies and their processes and focusing on systematisation to enable the entire organisation to carry out appropriate and effective risk management;
- continuous focus on our stakeholders (customers, shareholders, etc.);
- To inform management in a timely manner of the main risks faced by the Group or that may affect the achievement of business objectives and the level of tolerance;
- innovation and the search for mitigating measures that provide certainty in the achievement of objectives;
- Adaptation to the needs of the organisation: seeking alternatives that meet customer requirements while maintaining a contained and responsible exposure to risk and enabling continuous improvement;
- Flexibility, risk management in the Soltec Group is iterative and responsive to change, taking into account human and cultural factors, but always without losing the systematic and structured approach;
- Transparency, efficiency, inclusiveness, efficiency and inclusiveness in a way that encourages the proactive participation of all employees;
- Continuous improvement based on seven key phases: identification, assessment, response, monitoring, reporting, definition and follow-up of controls and treatment plans and periodic review of the Soltec Group's risk management framework;
- Differentiated responsibility of the units and bodies involved, based on the model of the three lines of action
 - First line of action: Daily monitoring and control of risks by all departments supported by policies and procedures specific to their activity.
 - Second line of action: The risk management department is responsible for leading the implementation of mitigation and control mechanisms, as well as to support all frontline departments and monitor the risk management system.
 - Third line of action: The internal audit department created in May 2020 ensures the proper functioning of the Soltec Group's management and provides independent and objective advice.

In short, Soltec has developed a Global Risk Management Policy, approved by the Board of Directors, in which:

- The general principles of risk management are determined;
- A three-pronged risk control model is established;
- The five pillars guiding the risk management system in the company are defined (Business Prospects, Bids and Developments Risk Management; Project Risk Management; Enterprise Risk Management; Internal Control over Financial Reporting System (ICFR) Risk Management; Climate Change Risk Management).

In the fiscal area, in 2023 the company obtained the renewal of its certification by Aenor for compliance with the UNE 19602 standard, so that risk control in fiscal matters is optimal.

In addition, the company has also renewed its certification in 2023 for compliance with the UNE 19601 standard on the prevention of criminal risks.

E.2. Identify the bodies of the company responsible for the development and implementation of the financial and non-financial Risk Management and Control System, including the fiscal.

Board of Directors: In accordance with the provisions of the Spanish Corporations Act, risk management cannot be delegated and is attributed to the plenary session of the board.

Audit Committee Pursuant to article 14.4 (ii) of the Board Regulations, risk management is the responsibility of the audit committee.

Risk Management Committee: The Risk Management Committee is a permanent internal informative and executive body that will discuss and reach agreements on risk management and insurance at corporate, bid and project level, as well as other strategic issues related to risk management in order to ensure the sustainability of Soltec. In addition, it will ensure the creation of mechanisms to promote risk management in all company processes in order to guarantee Soltec's sustainability and solvency.

Investment Committee: The Investment Committee consists of a permanent internal body of an informative and executive nature that will discuss and reach agreements in relation to investment initiatives at corporate level, with the objective of seeking the profitable growth of the company. In addition, it will ensure that mechanisms are put in place to ensure that investment decision-making processes have policies and procedures that contribute to the achievement of Soltec's strategic objectives.

Safety Committee: Among others, risk management related to security issues.

Business Development Committee: Among others, risk management related to business development issues.

Operations Committee: Among others, risk management related to ongoing project issues.

Talent Commission: Among others, risk management related to human resources issues.

Fiscal compliance body: Created within the framework of the tax compliance programme, it is made up of three members belonging to the company's fiscal and financial areas, and its objective is to ensure and supervise compliance with the company's fiscal obligations.

Compliance body: Created within the framework of the corporate compliance programme, it is responsible for the supervision and control of the criminal risk management system.

E.3. Indicate the main risks, financial and non-financial, including those fiscal and, to the extent significant, those arising from corruption (the latter within the scope of Royal Decree Law 18/2017), which may affect the achievement of the business objectives.

During 2022, the main operational, strategic, financial and regulatory risks affecting the Group were identified and analysed every six months.

Specifically, a catalogue of 179 risks has been identified (476 risks to be assessed and replicated by subsidiaries) and their assessment has been conducted by means of a series of interviews and surveys with each of the "owners" of each risk.

Once this identification and assessment has been carried out, the main risks affecting the Group are linked to the existing uncertainty in the demand for products and services in a changing environment, affected by the global post-pandemic Covid-19 as well as the current geo-political situation, the difficulties of adapting to the different regulatory environments together with political and social instabilities, as well as potential regulatory changes, the growing competitiveness in the photovoltaic industry and specifically in solar trackers with impacts on price reductions, potential regulatory non-compliance at the operational level, security of information linked to product R&D, potential problems arising from system failures and/or supply disruptions (e.g. increased prices of raw materials and transport), as well as potential problems resulting from natural disasters, cyber attacks, system failures and/or supply disruptions.

During the 2022 financial year and in view of the uncertainty arising in Europe due to the situation in Ukraine, the Group has established the following policy to mitigate the possible risks arising therefrom: (i) search for alternative suppliers (ii) analysis of the situation in each geography in which the projects are implemented, (iii) contractual transfer of the possible adverse effects that may arise from this situation.

In relation to financial risks, the main risks identified during 2022 would be linked to market risks (exchange rate and interest rate), liquidity, customer credit and obtaining the necessary guarantees to be able to contract and execute projects.

The risks arising from corruption are adequately controlled through a legal and fiscal compliance risk management system.

In addition, during 2022, the Soltec Group has carried out an analysis of the risks of climate change that may affect the development of the Soltec Group's integral activity, defining the mitigation measures for the identified risks. For this purpose, Soltec has taken into account the Appendix of Annex I of the Delegated Regulation on Environmental Taxonomy included in the Delegated Regulation (EU) 2021/2139 of the European Commission.

E.4. Identify whether the entity has risk tolerance levels, including for fiscal risk.

Yes, risk management quantifies all business risks by defining tolerance levels, including fiscal risk as well as operational, strategic, regulatory, financial, ESG, climate and environmental risks affecting the Group.

During the 2022 financial year, the company updated the risk map on a half-yearly basis, in which this point will be more precisely defined once the risk map is approved by the Group at the beginning of 2023.

In addition, SOLTEC is defining the following actions:

- Definition of the acceptable tolerance level for SOLTEC;
- Analysis of the insurance market to produce risk transfer to the insurance market where possible;
- Definition and implementation of controls for the identified risks in order to mitigate them and therefore reduce their likelihood and impact;
- Definition of treatment plans to minimise the probability of occurrence of the different risks as well as the impact in case of their occurrence in addition to the controls.

The Group's risk management is based on a continuous improvement system implemented since 2021 and based on the following pillars:

- Systematic activity of risk identification, assessment and treatment.
- Redefinition of risks.
- Introduction of new risks in the catalogue.
- Adaptation to the changes that may affect the organisation.
- Reallocation of risks.
- Review on at least a six-monthly basis.
- Risk Management Committee (RMC).
- Constant support from Soltec's senior management.
- Review of contracts before signature.
- Follow-up during project implementation (lessons learned).

E.5. Indicate which risks, financial and non-financial, including fiscal, have materialised during the year.

During 2022, the following risks have materialised:

1. Uncertainty associated with the demand for products and services in a changing environment affected by a post-pandemic and the current geopolitical situation.
2. Potential problems arising out of natural disasters.
3. Political and social instability
4. Potential problems arising out of system failures and/or supply disruptions
5. Growing competitiveness in the industry
6. Reduction in the price of solar trackers
7. Cyber risk
8. Potential non-compliance at operational level and/or increased costs.
9. Liquidity
10. Market (exchange rate/interest rate)

E.6. Explain the response and monitoring plans for the entity's main risks, including fiscal risks, as well as the procedures followed by the company to ensure that the board of directors responds to new challenges as they arise.

Operation of the control systems for each of the risks listed in the previous paragraph:

1. Adequate. These include, inter alia, the following control systems: (i) sizing of resources to deal with all delayed projects. (ii) commercial monitoring of main customers (iii) prospecting for new customers (iv) monitoring of opportunities due to regulatory changes and budget allocation (v) local presence in key countries (vi) investment in R&D&I (vii) study of synergies and new business lines (viii) continuous improvement systems (ix) agreements with key players within the industry (x) establishment of treatment plans focused on the analysis of estimates and analysis of project costs and project execution times (xi) diversification of customers.
2. Adequate. These include, inter alia, the following control systems: (i) transfer to the insurance market (ii) transfer of ownership and risk to clients (iii) local presence in key countries (iv) country risk analysis.
3. Adequate. These include, inter alia, the following control systems: (i) local presence in key countries (ii) local legal and fiscal advice (iii) transfer to the insurance market (iv) travel policy with monitoring of the situation in each country (v) country risk analysis.
4. Adequate. These include, inter alia, the following control systems: (i) diversification of suppliers both in companies and geographically. (ii) local presence in key countries. (iii) transfer to the insurance market. (iv) establishment of contractual mechanisms to be able to revise prices once the validity of the offers has expired and the customer has not issued the order to proceed (v) establishment of treatment plans for market price volatility analysis (vi) establishment of treatment plan for logistical analysis.
5. Adequate. These include, inter alia, the following control systems: (i) investment in R&D&I. (ii) new products. (iii) study of synergies and new business lines (iv) continuous improvement systems (v) local presence in key countries (vi) agreements with key players within the industry (vii) establishment of treatment plans focused on the analysis of estimates and analysis of project costs and project execution times.
6. Adequate. These include, inter alia, the following control systems: (i) local presence in key countries (ii) supplier price optimisation (iii) design optimisation through investment in R&D&I (iv) establishment of framework agreements with suppliers (v) monitoring of raw material price fluctuations: (vi) establishment of contractual mechanisms to be able to revise prices once the validity of the offers has expired and the client has not issued the order to proceed (vii) establishment of treatment plans focused on the analysis of estimates and analysis of project costs and project timelines.
7. Adequate. These include, inter alia, the following control systems: (i) development within the organisation of best practices for information leakage management, establishment of a business continuity plan in case of cyber attack; (ii) defined security and safety policy; and procedures for data lifecycles; (iii) establishment of an information classification system; (iv) cyber secure procurement; (v) ISO 27001 certification; (vi) conducted security audits; and (vii) implementation of a system for the classification of information
8. Adequate. These include, inter alia, the following control systems: Local presence in key countries; Local legal and local fiscal advice; Monitoring of local design regulation updates; Transfer to customer with regulation of law change clauses and variations; Transfer of risk of errors or lack of information in specifications to customers; Establishment of controls to analyse the correct definition of specifications by the customer.
9. Adequate. These include, inter alia, the following control systems: framework agreements with financing entities; review of new financing formulas; framework agreements with suppliers/customers; review of project cash flow prior to contract signature, according to customer and supplier payment conditions; analysis of maximum risk of non-payment; monitoring of cash flow of projects in execution

10. Adequate. These include, inter alia, the following control systems: hedging contracts; monitoring of rate fluctuations; agreements with suppliers in the same currency as the main contract; framework agreements with financing entities

F. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms that make up the control and risk management systems in relation to the financial reporting process (ICFR) of your entity.

F.1. Entity's control environment.

Report, indicating its main characteristics for, at least:

F.1.1 Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its oversight.

The System of Internal Control over Financial Reporting (hereinafter ICFR) is part of Soltec Power Holdings' internal control system and is defined as a system designed to provide reasonable assurance regarding the reliability of financial information.

The Group's ICFR system was designed during the 2020 financial year and therefore the accounting close of December 2020 was the first to be performed under the quality standards required for the design of Soltec's ICFR system. During 2021 the ICFR was deployed in the different subsidiaries of the group and its level of implementation and efficiency has been reviewed in the subsidiaries included in the 2022 internal audit plan.

The ICFR responsibility model of Soltec Power Holding is structured through the following bodies and/or functions that develop, maintain and supervise the process of preparing the Group's financial information:

- The Board of Directors is responsible for determining the risk control and management policy, including fiscal risks, and the supervision of internal information and control systems, as set out in article 5.4 (xii) of the Board of Directors' Regulations. Being ultimately responsible for ensuring an internal control environment conducive to the generation of reliable, complete and timely financial information.

These functions have been delegated to the Audit Committee in accordance with article 14.5(ii) of the Board of Directors' Regulations.

- The Audit Committee's responsibilities include supervising the effectiveness of the internal control of the Company and its group, the internal audit and risk management systems, both financial and non-financial (including operational, technological, legal, social, environmental, political, reputational and corruption-related risks), ensuring that established internal control policies and systems are effectively implemented in practice, and discussing with the Statutory Auditor any significant weaknesses in the internal control system identified during the course of the audit, without compromising the independence of the Statutory Auditor.

Likewise, to supervise the preparation process and the integrity of the financial information relating to the Company and, where appropriate, to the group, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria as established in Article 14.5(ix) of the Board of Directors' Regulations

In order to carry out these functions, the Audit Committee has an Internal Audit Department.

- The Finance Department is responsible for the design, implementation, execution and monitoring of the ICFR.

- Internal Audit, which reports to the Audit Committee, is responsible for evaluating and improving the efficiency of processes and monitoring internal control within the organisation. One of the main functions of Internal Audit is to ensure the proper functioning of the ICFR, for this purpose:

- o It conducts periodic reviews to ensure that documentation is up to date in accordance with the Annual Audit Plan

- o It designs and executes, based on the scope of review agreed in the audit planning phase, tests on general controls, technological controls and process controls.

- o It issues reports on the reviews carried out, reporting on the status of the functioning of the Internal Control over Financial Reporting System (ICFR), in accordance with the Annual Audit Plan.

- o It verifies the correct implementation of the corrective actions identified in the ICFR according to the Annual Audit Plan

The objectives, management, review and other particularities of the ICFR are regulated in three internal policies:

- o ICFR Policy Soltec Group
- o ICFR monitoring procedure
- o ICFR risk management procedure

F.1.2 Whether the following elements exist, especially with regard to the financial reporting process:

- Departments and/or mechanisms in charge: (i) the design and review of the organisational structure; (ii) clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) the existence of sufficient procedures for their correct dissemination within the entity:

The design and review of the organisational structure, as well as the definition of lines of responsibility, is the responsibility of the Group's organisational management, which defines the lines of distribution of tasks and organisational functions of the Group. Likewise, the board of directors, through the Appointments and Remunerations Committee, as established in the various sections of article 15 of the regulations of the board of directors, is responsible for assessing the skills, knowledge, availability and experience required on the board of directors, submit to the board of directors proposals for the appointment of independent directors and propose to the board of directors the remuneration policy for directors and general managers or those who perform their duties as executive personnel reporting directly to the board of directors, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive directors, checking and ensuring compliance therewith.

- Code of conduct, approving body, degree of dissemination and instruction, principles and values included (indicating whether there are specific mentions of the recording of transactions and preparation of financial information), body responsible for analysing breaches and proposing corrective actions and sanctions:

The purpose of the Code of Conduct of SOLTEC POWER HOLDINGS S.A. is to establish the directives and guidelines for all its administrators, managers and workers in their daily performance, with regard to the relations it maintains with all its stakeholders, with a transparent, efficient and effective management of resources, being honest with customers, suppliers, institutions, and being socially and environmentally responsible.

This Code of Conduct forms part of and is the basis for the Corporate Compliance Programme implemented in the Group to prevent, avoid and detect the commission of criminal offences in the corporate sphere in compliance with the provisions of the Criminal Code and the Tax Compliance programme. The Group's Code of Conduct is based on the definition of the Group's Mission, Vision, Values and Principles, and stands as a guide for action to ensure that its employees act appropriately in their professional performance, adapting to and falling in line with the legislation in force in the country where the Group conducts its business, as well as Internal Policies and Protocols.

The audit process of the UNE 19601 standard for the Criminal Compliance management system, which includes the Soltec code of conduct, with the aim of renewing the certification corresponding to this standard, began in January 2023 and is satisfactorily concluded at the time of writing this report.

- - Whistle-blowing channel, which allows for the communication to the audit committee of irregularities of a financial and accounting nature, in addition to possible breaches of the code of conduct and irregular activities in the organisation, informing, where appropriate, whether it is of a confidential nature and whether it allows for anonymous communications, respecting the rights of the whistle-blower and the reported party.

There is a whistleblowing channel open to all employees, or anyone who has dealings with the company, which allows them, in a confidential manner, to bring any irregularity or breach of the code of conduct to the attention of the Compliance Body. Communication is by e-mail. In the event that the irregularity is of an accounting or financial nature, the compliance body would bring this circumstance to the attention of the audit committee.

There are several internal rules that regulate the process of receiving and investigating the complaints received, which establish procedures aimed at preserving the rights of privacy, confidentiality, protection of personal data of the complainants and of the reported party.

Finally, the whistleblowing channel allows the submission of anonymous complaints from any e-mail address.

- Regular training and refresher programmes for staff involved in the preparation and review of financial information, as well as in the assessment of ICFR, covering at least accounting standards, auditing, internal control and risk management:

The Human Resources department, which reports to the Organisational Department, is responsible for managing and planning all matters concerning training programmes and other support elements to cover the training needs of employees. In coordination with the departments reporting to the Finance Department, Human Resources identifies and analyses the specific training needs of staff involved in the preparation and review of financial information, considering as the main subjects those related to accounting, internal control and risk management. The Finance Department has a budget to allocate to training depending on the needs, regulatory changes and accounting updates that occur.

In addition, Soltec is a member of the Institute of Internal Auditors, where the members of the Internal Audit team participate in courses, sector meetings and conferences aimed at the continuous training of the team.

F.2. Risk assessment of financial information.

Report, at least, on:

F.2.1 What are the main characteristics of the risk identification process, including those of error or fraud, in terms of:

- If the process exists and is documented:

The risk identification process is documented in the Global Risk Management Policy, whose main function is to identify, determine and quantify all business risks in order to apply the optimal mitigating measures to eliminate or reduce the probability and/or severity of the identified threats, as well as to take advantage of the opportunities, allowing the Soltec Group to develop its activity and grow in a sustainable manner, making informed and coherent decisions. There is also a Risk Committee, which is a permanent internal body of an informative and executive nature that will discuss and reach agreements in relation to risk management and insurance at corporate, bid and project level, as well as other strategic issues related to risk management with the objective of ensuring the sustainability of Soltec. In addition, it will ensure the creation of mechanisms to promote risk management in all company processes in order to guarantee Soltec's sustainability and solvency. This committee is made up of members of the company's senior management. Soltec has implemented a risk procedure in the analysis of bids which establishes the obligation to carry out a risk analysis of the potential contracts of Soltec Power Holdings SA and its subsidiaries in the bidding and/or negotiation phase. Soltec is in the process of obtaining a standardised and functional risk map, which will be updated every six months in 2022 to include all financial, strategic, regulatory and operational risks. The management of ICFR risks is documented in the ICFR Risk Management Procedure. Internal Audit works closely with the risk area incorporating a continuous exchange of information and accommodating the requirements of the risk area in the annual audit plan.

- Whether the process covers the full range of financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), whether it is updated and how often:

The risk management process is reviewed annually while the bid risk management process identifies, monitors and finally mitigates the risks identified in each of the bids submitted by Soltec to its customers. All risks related to financial reporting processes have controls in place to ensure that financial information adequately meets the existence, occurrence, completeness, valuation, presentation, disclosure and comparability requirements for which the ICFR was designed. These controls are regularly reviewed and updated to keep pace with evolving and changing risks.

- The existence of a process for identifying the scope of consolidation, taking into account, among other aspects, the possible existence of complex corporate structures and special purpose vehicles:

The scope of consolidation of the Soltec Group is reviewed at each monthly closing. The Administration Department is responsible for analysing the companies that join and those that leave the scope of this perimeter. The incorporation, acquisition, sale and dissolution of companies are subject to internal authorisation processes that clearly identify all entries and exits from the scope of consolidation.

- Whether the process takes into account the effects of other types of risks (operational, technological, financial, legal, fiscal, reputational, environmental, etc.) insofar as they affect the financial statements:

The objective is to obtain a comprehensive view of them, designing an efficient response system aligned with the company's business objectives that is fulfilled by reviewing the risks on offer that involve the most significant risks for the company. The risk map developed by Soltec and updated every six months allows for increased control, scope, monitoring and visibility of corporate risks at group level, always based on the continuous improvement process as indicated in section E4.

- Which governing body of the entity oversees the process:

The process of preparing financial information is the ultimate responsibility of the Board of Directors. In addition, the Risk Department reports directly to the Audit Committee.

F.3. Control activities.

Report, indicating its main characteristics, whether it has at least:

F.3.1 Procedures for the review and authorisation of financial information and the description of the ICFR, to be published in the securities markets, indicating those responsible, as well as documentation describing the flow of activities and controls (including those relating to the risk of fraud) of the different types of transactions that may materially affect the financial statements, including the procedure for closing the accounts and the specific review of relevant judgements, estimates, assessments and projections

In accordance with the Board of Directors' Regulations, the Audit Committee is responsible, among others, for reviewing the annual accounts and the periodic information to be provided by the Board of Directors to the markets and their supervisory bodies, ensuring at all times that legal requirements are complied with and that generally accepted accounting principles are correctly applied in their preparation.

The Regulations also state that the Audit Committee shall meet quarterly in order to review the periodic financial information to be submitted to the stock exchange authorities, as well as the information to be approved by the Board of Directors and included in its public documentation.

The Group also maintains various accounting policies and procedures to ensure the reliability of financial information. Some of these policies are:

- o Accounts Payable Procedures
- o Accounts Receivable Procedure
- o Accounting Manual Fixed Assets
- o Accounting Manual Fixed Assets
- o Leasing Manual
- o Asset Impairment Handbook
- o On Site Administrative Control Procedure
- o Closing of accounting periods procedure
- o Treasury Policy
- o Collateral Management Policy
- o Project Cashflow Policy
- o Supplier Financial Management Procedure.
- o Exchange Rate Risk Management Procedure

All matters relating to ICFR are regulated by various policies and procedures:

- o ICFR Policy Soltec Group
- o ICFR monitoring procedure
- o ICFR risk management procedure

F.3.2 Internal control policies and procedures on information systems (including access security, change control, system operation, business continuity and segregation of duties) that support the relevant processes of the entity in relation to the production and publication of financial information.

Information systems play a relevant role and are a supporting element in the processes of preparing the financial information to be reported externally, which is why they are included within the scope of action and configuration of the ICFR, thus defining a specific matrix of controls for IT processes.

The Group has an IT department whose objective is to ensure the security of all IT processes through daily user support, system maintenance, development of improvements and independent system testing. Soltec also has an Information Security Policy applicable to the entire group.

In 2020 Soltec's IT area obtained the ISO 27001:2013 Information Security Standard certification, which is valid for three years.

The Group has the contingency mechanisms and procedures, both technical and operational, to be able to guarantee the recovery of the information systems in the event of failure or unavailability both at the central offices and at any of the Group's regional offices.

F.3.3 Internal control policies and procedures to monitor the management of outsourced activities, as well as those aspects of evaluation, calculation or valuation entrusted to independent experts, which may materially affect the financial statements.

Particular concern is maintained for the activities outsourced to third parties that could have a significant impact on the financial statements in order to ensure that, in key processes that could be outsourced, there is the maximum guarantee of control in relation to the security standards and preparation of financial information required at Group level.

For this reason, there are different policies and procedures that regulate and ensure the contracting process and quality control of third party suppliers:

- General procurement terms and conditions Soltec
- Supplier approval procedure
- Sourcing Procedure
- On-site purchasing procedure
- Product validation procedure

Likewise, the Purchasing department maintains a series of model documents that it agrees with its suppliers, such as the NDAs that define the relationship of confidentiality in the treatment of sensitive technical information by our suppliers.

When the services of independent experts are contracted for work that supports valuations, judgements or accounting calculations, it is ensured that they are firms of recognised prestige in the aspects consulted.

F.4. Information and Communication.

Report, indicating its main characteristics, whether it has at least:

F.4.1 A specific function in charge of defining, keeping accounting policies up to date (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining fluent communication with those responsible for operations in the organisation, as well as an accounting policy manual that is updated and communicated to the units through which the entity operates.

The Finance Department, with its Administration, FP&A and Tax subdepartments, is responsible for keeping the accounting policies up to date and transmitting them to the staff involved in the preparation of financial information.

For this purpose, there is a set of accounting policies, procedures and manuals (see point F.3.1) available to all employees on the group's intranet, which act as a reference to set the guidelines for accounting records, financial statements and annual accounts.

F.4.2 Mechanisms for the capture and preparation of financial information with homogeneous formats, applicable and used by all units of the entity or group, which support the main financial statements and the notes, as well as the information detailed on the ICFR.

All the entities that make up the Soltec Power Holding Group use the same financial information reporting tools and applications, regardless of the information systems used for the maintenance of accounting records. These tools are continuously reviewed by the IT department.

F.5. Supervision of the operation of the system.

Report, indicating its main characteristics, at least on:

F.5.1 The ICFR monitoring activities performed by the audit committee and whether the entity has an internal audit function whose responsibilities include supporting the committee in its supervision of the internal control system, including ICFR. In addition, report on the scope of the ICFR assessment conducted in the year and the procedure by which the assessor reports the results of the assessment, if the entity has an action plan detailing any corrective measures, and whether their impact on financial reporting has been considered.

The Soltec Group maintains a proactive attitude in order to guarantee an updated model that is aligned with the reality of the business and the best regulatory practices. This analysis and constant monitoring of the ICFR, detecting possible improvements and making the corresponding changes, is carried out by means of the following actions:

- Periodic evaluation of the design and effectiveness of controls
- Carrying out verifications and audits, in accordance with the Audit Plan agreed for the year, where one of the significant points of the scope is the review of the implementation of ICFR controls.
- Supervision by the Audit Committee, in relation to the ultimate control over the ICFR model, delegated by the Board of Directors and implemented through the Internal Audit functions.
- Reporting of the identified deficiencies, creating action plans to solve them, putting in place the mechanisms for their follow-up and assigning the necessary resources for their fulfilment.

To ensure appropriate coverage of the ICFR review, an Annual Internal Audit Plan is established, approved and supervised by the Audit Committee, which includes the review of the ICFR.

F.5.2 Whether it has a discussion procedure whereby the auditor (in accordance with the provisions of the AAS), the internal audit function and other experts can communicate to senior management and the audit committee or directors of the entity any significant internal control weaknesses identified during the review process of the annual accounts, or other significant weaknesses in any other processes commissioned to them. It shall also report on whether it has an action plan that seeks to correct or mitigate the weaknesses observed.

The Internal Audit function regularly communicates to senior management and the Audit Committee the internal control weaknesses identified in the process reviews carried out by means of reports issued at the end of each audit. These reports include action plans established for the mitigation of each of the weaknesses identified.

The Group's auditor has direct access to the Board of Directors through the Group's Audit Committee and holds regular meetings to report any control weaknesses detected in the course of its work. Annually, the external auditors present a report to management and the Audit Committee detailing the internal control weaknesses identified in the course of their work.

F.6. Other relevant information.

The year 2021 was the first year of deployment and implementation of the Internal Control over Financial Reporting System for Soltec and its subsidiaries.

F.7. External auditor's report.

Report on:

F.7.1 Whether the ICFR information disclosed to the markets has been reviewed by the external auditor, in which case the entity should include the relevant report as an annex. If not, give the reasons.

[The ICFR information described by the company has been reviewed by the external auditor who has issued the corresponding report.]

G. DEGREE TO WHICH CORPORATE GOVERNANCE RECOMMENDATIONS ARE FOLLOWED

Indicate the company's degree of compliance with the recommendations of the Good Governance Code of Listed Companies.

In the event that a recommendation is not followed or is partially followed, a detailed explanation of the reasons should be included so that shareholders, investors and the market in general have sufficient information to assess the company's actions. General explanations will not be acceptable.

1. The articles of association of listed companies should not limit the maximum number of votes that may be cast by a single shareholder, nor contain other restrictions that make it difficult to take control of the company by acquiring its shares on the market.

Complies Explain

2. That, when the listed company is controlled, as defined in Article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should publicly disclose precisely the following:

- a) The respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries.
- b) The mechanisms envisaged to resolve possible conflicts of interest that may arise.

Complies Complies partially Explain Not applicable

3. That during the ordinary general meeting, as a complement to the written dissemination of the annual corporate governance report, the chairman of the board of directors verbally informs shareholders, in sufficient detail, of the most relevant aspects of the company's corporate governance and, in particular:

- a) Changes since the previous ordinary general meeting.
- b) The specific reasons why the company does not follow any of the recommendations of the Corporate Governance Code and, if they exist, the alternative rules it applies in this area.

Complies Complies partially Explain

4. The company should define and promote a policy regarding communication and contacts with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors, that fully respects the rules against market abuse and treats shareholders in the same position on an equal footing. The company should make this policy public on its website, including information on how it has been put into practice and identifying the interlocutors or those responsible for carrying it out.

And, without prejudice to the legal obligations to disseminate inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels) that contributes to maximising the dissemination and quality of the information available to the market, investors and other stakeholders.

Complies Complies partially Explain

5. The board of directors should not submit to the general meeting a proposal to delegate powers to issue shares or convertible securities, excluding pre-emptive subscription rights, for an amount exceeding 20% of the capital at the time of delegation.

And that when the board of directors approves any issue of shares or convertible securities with exclusion of pre-emptive subscription rights, the company should immediately publish on its website the reports on such exclusion referred to in commercial legislation.

Complies Complies partially Explain

6. Listed companies that prepare the reports listed below, whether mandatory or voluntary, should publish them on their website sufficiently in advance of the ordinary general meeting, even if their dissemination is not mandatory:

- a) Report on the independence of the auditor.
- b) Reports on the functioning of the audit, appointments and remunerations committees.
- c) Audit committee report on related-party transactions.

Complies Complies partially Explain

7. The company should broadcast the general shareholders meetings live on its website.

And the company should have mechanisms that enable proxy voting and voting by telematic means and even, in the case of large cap companies and in a proportionate manner, attendance and active participation in the General Meeting.

Complies Complies partially Explain

8. The audit committee should ensure that the annual accounts submitted by the board of directors to the General Shareholders Meeting are drawn up in accordance with accounting regulations. And that in cases where the auditor has included a qualification in its audit report, the chairman of the audit committee shall clearly explain to the general meeting the audit committee's opinion on its content and scope, and shall make it available to shareholders at the time of publication of the call to meeting, together with the rest of the proposals and reports of the board.

Complies Complies partially Explain

9. The company should publish on its website, on a permanent basis, the requirements and procedures it will accept for accrediting ownership of shares, the right to attend the General Shareholders Meeting and the exercise or delegation of voting rights.

And such requirements and procedures should be conducive to the assistance and exercise of shareholders' rights and are applied in a non-discriminatory manner.

Complies Complies partially Explain

10. That when any shareholder entitled to do so has exercised, prior to the holding of the General Shareholders Meeting, the right to complete the agenda or to submit new proposals for resolutions, the company should:
- Immediately circulate such additional points and new proposals for agreement.
 - Make public the model attendance card or proxy or remote voting form with the necessary modifications so that new items on the agenda and alternative proposals for resolutions can be voted on in the same terms as those proposed by the board of directors.
 - Put all such alternative items or proposals to the vote and apply the same voting rules to them as to those made by the board of directors, including, in particular, presumptions or deductions as to the direction of the vote.
 - After the General Shareholders Meeting, communicate the breakdown of the vote on such supplementary items or alternative proposals.

Complies Complies partially Explain Not applicable

Articles 9.5, 9.6 in conjunction with Article 30. 5 sections (i) and (ii) of the Regulations of the General Shareholders Meeting. The presumptions or deductions as to how the vote was taken vary only according to whether or not the item put to the vote had been published before the Meeting. In any case, the supplements to the Notice of Meeting requested in due time and form by the shareholders entitled to do so must be published in accordance with arts. 9.5 and 9.6 of the Meeting's Rules of Procedure.

11. If the company intends to pay attendance fees for the General Shareholders Meeting, it should establish, in advance, a general policy on such fees and the policy should be stable.

Complies Complies partially Explain Not applicable

12. The board of directors should perform its duties with unity of purpose and independence of judgement, treat all shareholders in the same position equally, and be guided by the corporate interest, understood as the achievement of a profitable and sustainable business in the long term, which promotes its continuity and the maximisation of the economic value of the company.

And in the pursuit of social interest, in addition to respect for laws and regulations and behaviour based on good faith, ethics and respect for commonly accepted customs and good practices, it should seek to reconcile its own social interest with, as appropriate, the legitimate interests of its employees, its suppliers, its customers and other stakeholders that may be affected, as well as the impact of the company's activities on the community as a whole and on the environment.

Complies [X] Complies partially [] Explain []

13. The board of directors should be the necessary size to achieve an efficient and participatory operation, which makes it advisable for it to have between five and fifteen members.

Complies [X] Explain []

14. The board of directors should adopt a policy aimed at encouraging an appropriate composition of the board of directors and it should:

- a) be concrete and verifiable.
- b) ensure that proposals for appointment or reappointment are based on a prior analysis of the competencies required by the board; and
- c) encourage diversity of knowledge, experience, age and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to be conducive to gender diversity.

The result of the prior analysis of the competencies required by the board of directors should be included in the appointments committee's report published when convening the General Shareholders Meeting to which the ratification, appointment or re-election of each director is submitted.

Compliance with this policy will be verified annually by the appointments committee and reported in the annual corporate governance report.

Complies [X] Complies partially [] Explain []

15. Proprietary and independent directors should constitute an ample majority of the board of directors and the number of executive directors should be the minimum necessary, taking into account the complexity of the corporate group and the percentage interest held by executive directors in the company's share capital.

And the number of female directors should account for at least 40% of the board members by the end of 2022 and thereafter, not being less than 30% prior thereto.

Complies Complies partially Explain

16. The percentage of proprietary directors out of the total number of non-executive directors should not be greater than the proportion between the capital of the company represented by such directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies in which there are few shareholdings that are legally considered to be significant.
- b) In the case of companies in which there is a plurality of shareholders represented on the board of directors and they are not related to each other.

Complies Explain

17. The number of independent directors should represent at least half of the total number of directors.

However, when the company is not a large-cap company or when, even if it is a large-cap company, it has one or more shareholders acting in concert who control more than 30% of the share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies Explain

18. The companies should publish the following information about their Directors on their website and keep this information up to date:

- a) Professional and biographical profile.
- b) Other boards of directors to which they belong, whether or not they are listed companies, as well as other remunerated activities of any kind.
- c) Indication of the category of director to which they belong, stating, in the case of proprietary directors, the shareholder they represent or with whom they are related.
- d) Date of their first appointment as a director of the company, as well as subsequent re-elections.
- e) Company shares, and options thereon, held by them.

Complies Complies partially Explain

19. The annual corporate governance report, after verification by the appointments committee, should explain the reasons why proprietary directors have been appointed at the request of shareholders whose shareholding is less than 3% of the share capital; and explain the reasons why, where applicable, formal requests for a presence on the board from shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors have been appointed have not been met.

Complies Complies partially Explain Not applicable

20. Proprietary directors should tender their resignation when the shareholder they represent transfers its entire shareholding. They should also present their resignation, in the corresponding number, when the said shareholder lowers his/her shares in the company to a level that requires a reduction in the number of his/her Proprietary Directors.

Complies Complies partially Explain Not applicable

21. The board of directors should not propose the removal of independent directors before the expiry of their office as mandated by the articles of association, except where just cause is found by the board, based on a report from the appointments committee. In particular, just cause shall be deemed to exist when the director takes up new posts or incurs new obligations that prevent them from devoting the necessary time to the performance of the duties inherent to the post of director, fails to comply with the duties inherent to their post or incurs in any of the circumstances that cause them to lose their status as independent, in accordance with applicable legislation.

The removal of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate operations involving a change in the capital structure of the company, when such changes in the structure of the board of directors are prompted by the proportionality criterion set out in Recommendation 16.

Complies Explain

22. Companies should establish rules obliging directors to report and, where appropriate, resign when situations arise that affect them, whether or not related to their actions in the company itself, that could damage the credit and reputation of the company and, in particular, obliging them to inform the board of any criminal proceedings in which they are under investigation, as well as the procedural circumstances thereof.

And, having been informed of or otherwise having become aware of any of the situations mentioned in the preceding paragraph, the board should examine the case as soon as possible and, in view of the specific circumstances, decide, after a report from the appointments and remunerations committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing their removal. And to report thereon in the annual corporate governance report, unless there are special circumstances that justify it, which must be recorded in the minutes. All without prejudice to the information to be disclosed by the company, if appropriate, when adopting the corresponding measures.

Complies Complies partially Explain

23. All directors should clearly express their opposition when they consider that any proposed decision submitted to the board may be contrary to the company's interests. In particular, independent and other directors who are not affected by the potential conflict of interest should do the same in the case of decisions that may be detrimental to shareholders not represented on the board.

And when the board of directors adopts significant or reiterated decisions about which the director has expressed serious reservations, the director should draw the appropriate conclusions and, if they choose to resign, explain the reasons in the letter referred to in the following recommendation.

This recommendation also applies to the secretary of the board of directors, even if they are not a director.

Complies Complies partially Explain Not applicable

24. When, either by resignation or by resolution of the general meeting, a director leaves office before the end of their term of office, they should sufficiently explain the reasons for their resignation or, in the case of non-executive directors, their views on the reasons for the removal by the board, in a letter to be sent to all members of the board of directors.

And, without prejudice to the disclosure of all this in the annual corporate governance report, insofar as it is relevant for investors, the company should publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Complies Complies partially Explain Not applicable

25. The appointments committee should ensure that non-executive directors have sufficient time available for the proper performance of their duties.

And the board regulations should establish the maximum number of company boards on which its directors may sit.

Complies Complies partially Explain

26. The board of directors should meet with the necessary frequency to perform their duties effectively and at least eight times a year, following the schedule of dates and business established at the beginning of the year, with each director being able to propose other items on the agenda that were not initially envisaged.

Complies Complies partially Explain

27. Directors' absences should be kept to the bare minimum and quantified in the annual corporate governance report. And, when necessary, representation should be granted with instructions.

Complies Complies partially Explain

28. When directors or the secretary express concerns about a proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the board meeting, they should, at the request of the person expressing them, be recorded in the minutes.

Complies Complies partially Explain Not applicable

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, including, if circumstances so require, external advice at the company's expense.

Complies Complies partially Explain

30. Regardless of the knowledge required of directors for the performance of their duties, companies should also offer directors refresher programmes when circumstances so advise.

Complies Explain Not applicable

31. The agenda for board meetings should clearly indicate the points on which the board is to adopt a decision or resolution, so that directors can study or obtain the information necessary for its adoption beforehand.

When, exceptionally, for reasons of urgency, the chairman wishes to submit to the board of directors for approval decisions or resolutions that are not on the agenda, the prior express consent of the majority of the directors present shall be required, which shall be duly recorded in the minutes.

Complies Complies partially Explain

32. Directors should be kept regularly informed of movements in shareholdings and of the views of significant shareholders, investors and rating agencies on the company and its group.

Complies Complies partially Explain

33. As the person responsible for the smooth operation of the board of directors, and in addition to the duties assigned by law and the company's articles of association, the chairman should prepare and submit to the board of directors a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive; be responsible for the management of the company; and be accountable for the management and effectiveness of its functioning; ensure that sufficient discussion time is devoted to strategic issues; and agree and review refresher programmes for each director, as circumstances dictate.

Complies Complies partially Explain

34. Where there is a lead director, the articles of association or board regulations should grant them the following powers in addition to those conferred by law: chair the board of directors in the absence of the chairman and vice-chairmen, if any; give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views in order to form an opinion on their concerns, particularly in relation to the company's corporate governance; and coordinate the chairman's succession plan.

Complies Complies partially Explain Not applicable

35. The secretary of the board of directors should take special care to ensure that in its actions and decisions the board of directors takes into account the recommendations on good governance contained in this Code of Good Governance that are applicable to the company.

Complies Explain

36. The plenary session of the board of directors should assess once a year and adopt, where appropriate, an action plan to correct any deficiencies identified with respect to:
- The quality and efficiency of the functioning of the board of directors.
 - The functioning and composition of its committees.
 - Diversity in the composition and competences of the board of directors.
 - The performance of the chairman of the board of directors and the chief executive of the company.
 - The performance and contribution of each director, paying special attention to the heads of the various board committees.

The evaluation of the various committees shall be based on the report they submit to the board of directors, and for the evaluation of the board of directors, on the report submitted by the appointments committee.

Every three years, the board of directors shall be assisted in the evaluation by an external consultant, whose independence shall be verified by the appointments committee.

The business relationships that the consultant or any company in its group has with the company or any company in its group should be disclosed in the annual corporate governance report.

The process and areas assessed will be described in the annual corporate governance report.

Complies Complies partially Explain

37. When there is an executive committee, at least two non-executive directors should sit on it, at least one of whom should be independent; and its secretary should be the secretary of the board of directors.

Complies Complies partially Explain Not applicable

38. The board of directors should always be informed of the business transacted and decisions taken by the executive committee and all members of the board of directors should receive a copy of the minutes of the meetings of the executive committee.

Complies Complies partially Explain Not applicable

39. The members of the audit committee as a whole, and especially its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

Complies Complies partially Explain

40. Under the supervision of the audit committee, there should be an internal audit unit to ensure successful functioning of internal control and information systems, reporting functionally to the non-executive chairman of the board or the chairman of the audit committee.

Complies Complies partially Explain

41. The head of the unit that assumes the internal audit function should present its annual work plan to the audit committee for approval by the latter or by the board, report directly to it on its implementation, including any incidents and limitations on scope that may arise in its development, the results and follow-up of its recommendations, and submit an activities report at the end of each financial year.

Complies Complies partially Explain Not applicable

42. In addition to those provided for by law, the following functions should correspond to the audit committee:
1. In relation to information systems and internal control:
 - a) Supervise and assess the preparation process and the integrity of financial and non-financial information, as well as the control and management systems for financial and non-financial risks relating to the company and, where appropriate, the group, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
 - b) Ensuring the independence of the unit that assumes the internal audit function; proposing the selection, appointment and dismissal of the head of the internal audit service; proposing the budget of the internal audit service; approving or proposing approval to the board of the annual internal audit orientation and work plan, ensuring that its activity is primarily focused on relevant risks (including reputational risks); receiving regular information on its activities; and verifying that senior management takes into account the findings and recommendations of its reports.
 - c) Establish and supervise a mechanism to enable employees and other persons connected with the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting irregularities, or of any other nature, related to the company that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the whistle-blower and the reported party.
 - d) In general, ensure that the established internal control policies and systems are effectively implemented in practice.
 2. In relation to the external auditor:
 - a) In the event of resignation of the external auditor, examine the circumstances leading to the resignation.
 - b) Ensure that the external auditor's remuneration for their work does not compromise their quality or independence.
 - c) Supervise that the company notifies the CNMV of the change of auditor and accompanies it with a statement on the possible existence of disagreements with the outgoing auditor and, if any, their content.
 - d) Ensure that the external auditor holds an annual meeting with the plenary session of the board of directors to report to it on the work performed and on developments in the company's accounting and risk situation.
 - e) Ensure that the company and the external auditor comply with existing rules on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other rules on auditor independence.

Complies [X]

Complies partially []

Explain []

43. The audit committee should be able to summon any employee or manager of the company, and even arrange for them to appear without the presence of any other manager.

Complies Complies partially Explain

44. The audit committee should be informed of the structural and corporate modifications that the company plans to carry out for its analysis and prior report to the board of directors on their economic conditions and accounting impact and, in particular, on the proposed exchange ratio, where appropriate.

Complies Complies partially Explain Not applicable

45. The risk management and control policy should identify or determine at least:

- a) The different types of financial and non-financial risks (including operational, technological, legal, social, environmental, environmental, political and reputational risks, including those related to corruption) faced by the company, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
- b) A tiered risk management and control model, including a specialised risk committee where sectoral rules so provide or where the company deems it appropriate.
- c) The level of risk deemed acceptable by the company.
- d) The measures foreseen to mitigate the impact of the identified risks, should they materialise.
- e) Internal control and information systems which shall be used to control and manage the foregoing risks, including the contingent liabilities or off-balance sheet risks.

Complies Complies partially Explain

46. Under the direct supervision of the audit committee or, as the case may be, a specialised committee of the board of directors, there should be an internal risk control and management function exercised by an internal unit or department of the company with the following functions expressly attributed to it:

- a) Ensure the smooth functioning of risk management and control systems and, in particular, that all significant risks affecting the company are adequately identified, managed and quantified.
- b) Actively participate in the development of risk strategy and major risk management decisions.
- c) Ensure that risk management and control systems adequately mitigate risks within the framework of the policy defined by the board of directors.

Complies Complies partially Explain

47. The members of the appointments and remunerations committee—or of the appointments committee and the remunerations committee, if they are separate—should be appointed with the knowledge, skills and experience appropriate to the duties they are called upon to perform, and the majority of such members should be independent directors.

Complies Complies partially Explain

48. Large-cap companies should have a separate appointments committee and a separate remunerations committee.

Complies Explain Not applicable

49. The appointments committee should consult with the chairman of the board of directors and the chief executive of the company, especially on matters relating to executive directors.

And any director may request the appointments committee to consider potential candidates to fill vacancies on the board, if they consider them suitable.

Complies Complies partially Explain

50. The remunerations committee should exercise its functions independently and, in addition to the functions attributed to it by law, the following functions should correspond to it:

- a) Propose to the Board of Directors the basic terms and conditions of senior management contracts.
- b) Verify compliance with the remuneration policy established by the company.
- c) Periodically review the remuneration policy applied to directors and senior management, including share-based remuneration schemes and their implementation, and ensure that their individual remuneration is proportionate to that paid to other directors and senior management of the company.
- d) Ensure that any conflicts of interest do not impair the independence of the external advice given to the Commission.
- e) Verify the information on directors' and senior management remuneration contained in the various corporate documents, including the annual report on directors' remuneration.

Complies Complies partially Explain

51. The Remuneration Committee should consult the company's Chairman and chief executive, especially with regard to business concerning the Executive Directors and senior executives.

Complies Complies partially Explain

52. The rules for the composition and functioning of the supervisory and control committees should appear in the regulations of the board of directors and be consistent with those applicable to legally mandatory committees under the above recommendations, including:
- a) They should be composed exclusively of non-executive directors, with a majority of independent directors.
 - b) Their chairpersons should be independent directors.
 - c) The board of directors should appoint the members of these committees, taking into account the knowledge, skills and experience of the directors and the duties of each committee, deliberate on their proposals and reports, and report on their activities at the first plenary session of the board after their meetings and be accountable for the work performed.
 - d) The committees may seek external advice when they deem it necessary for the performance of their duties.
 - e) Minutes of their meetings shall be taken and made available to all directors.

Complies [X] Complies partially [] Explain [] Not applicable []

53. The supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, should be attributed to one or more committees of the board of directors, which may be the audit committee, the appointments committee, a committee specialising in sustainability or corporate social responsibility, or another specialised committee that the board of directors, in the exercise of its powers of self-organisation, has decided to set up. Such a committee should be composed solely of non-executive directors, with the majority being independent and the minimum functions set out in the following recommendation being specifically attributed.

Complies [X] Complies partially [] Explain []

54. The minimum functions referred to in the above recommendation are as follows:

- a) Overseeing compliance with the company's corporate governance rules and internal codes of conduct, and ensuring that the corporate culture is aligned with its purpose and values.
- b) Overseeing the implementation of the general policy on financial, non-financial and corporate reporting as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the institution communicates and relates to small and medium-sized shareholders will also be monitored.
- c) The evaluation and periodic review of the corporate governance system and of the company's environmental and social policy, so that they fulfil their mission of promoting the social interest and take into account, as appropriate, the legitimate interests of other stakeholders.
- d) Monitoring that the company's environmental and social practices are in line with the fixed strategy and policy.
- e) Monitoring and evaluation of stakeholder engagement processes.

Complies Complies partially Explain

55. Sustainability policies on environmental and social issues should at least identify and include:

- a) The principles, commitments, objectives and strategy with regard to shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conduct
- b) Methods or systems for monitoring compliance with policies, associated risks and their management.
- c) The mechanisms for monitoring non-financial risk, including those related to ethical and business conduct issues.
- d) The channels of communication, participation and dialogue with stakeholders.
- e) Responsible communication practices that avoid manipulation of information and protect integrity and honour.

Complies Complies partially Explain

56. Directors' remuneration should be sufficient to attract and retain directors of the desired length and to reward the dedication, qualification and responsibility that the post requires, but not so high as to compromise the independence of judgement of non-executive directors.

Complies Explain

57. Variable remuneration linked to the company's performance and personal performance, as well as remuneration in the form of shares, options or rights over shares or instruments indexed to the value of the share and long-term savings schemes such as pension plans, retirement schemes or other social welfare systems, should be confined to executive directors.

The delivery of shares as remuneration to non-executive directors may be contemplated when it is conditional upon their holding such shares until they cease to be directors. The foregoing shall not apply to shares which the director needs to dispose of, if any, in order to meet the costs related to their acquisition.

Complies Complies partially Explain

58. In the case of variable remuneration, remuneration policies should include limits and technical safeguards to ensure that such remuneration reflects the professional performance of the beneficiaries and not merely the general progress of the markets or the company's sector of activity or other similar circumstances.

And, in particular, the variable components of remuneration should:

- a) Be linked to performance criteria that are predetermined and measurable and these criteria should take into account the risk assumed in order to achieve an outcome.
- b) Promote the sustainability of the company and include non-financial criteria that are appropriate for long-term value creation, such as compliance with the company's internal rules and procedures and its policies for risk control and management.
- c) Be configured on the basis of a balance between meeting short-, medium- and long-term objectives, allowing performance to be rewarded for sustained performance over a period of time sufficient to appreciate their contribution to sustainable value creation, so that the performance measures are not solely based on one-off, occasional or extraordinary events.

Complies Complies partially Explain Not applicable

In 2021, the Long-Term Incentive Plan included pre-determined and measurable performance criteria such as EBITDA, total shareholder return and Free Cash Flow.
The Long-Term Incentive Plan did not include non-financial or sustainability criteria in 2021, but it is planned to include them in 2022.
Although the vesting period of the Incentive Plan is set to be long term, the calculation periods are annual and include short term targets.
As planned, the Long-Term Incentive Plan was amended in 2022 to include a non-financial criterion, namely an ESG indicator. In addition, the Incentive Plan was modified to configure a part of the short-term remuneration.

59. The payment of variable components of remuneration is subject to sufficient verification that the performance or other conditions set out above have actually been met. Entities shall include in the annual directors' remuneration report the criteria as to the time required and methods for such verification depending on the nature and characteristics of each variable component.

In addition, institutions should consider the establishment of a malus clause based on the deferral for a sufficient period of time of the payment of a part of the variable components that implies their total or partial loss in the event that, prior to the time of payment, an event occurs that makes it advisable to do so.

Complies [X] Complies partially [] Explain [] Not applicable []

In the modification made in the 2022 financial year to the Directors' Remuneration Policy, a "clawback" and "malus" clause was included, applicable to the variable share-based remuneration of the Executive Director.

60. The remuneration related to the company's results should take into account the possible exceptions included in the external auditor's report, which may reduce the said results.

Complies [X] Complies partially [] Explain [] Not applicable []

With the amendment of the Remuneration Policy approved in financial year 2022, it is established that as a necessary condition for the determination of the variable remuneration of the Executive Director, the report of the external auditors on the last calculation period, without qualifications, must be received.

61. That a relevant percentage of the variable remuneration of executive directors is linked to the delivery of shares or financial instruments referenced to their value.

Complies [X] Complies partially [] Explain [] Not applicable []

The Incentive Plan's regulations establish that incentives are paid through the delivery of shares in the Company, and include some cases in which it is possible to deliver the incentive in cash, but these are isolated and duly justified cases:

- the Company does not have sufficient treasury shares to deliver Plan Shares to Participants under the Plan;
- in the event of liquidation of the company
- if the Company determines (acting reasonably) that delivering some or all of the Scheme Shares to any Participant on any relevant date is materially damaging for the Company for any reason, including as a result of any applicable law preventing the delivery of ordinary shares on that date or if the delivery of ordinary shares to such Participant would result in (i) such Participant being required to make a tender offer for all of the Company's securities in accordance with applicable Spanish securities tender offer regulations, or (ii) a breach of applicable Spanish securities tender offer regulations, or (iii) a breach of the circulars, operating instructions and other internal regulations of the Spanish Stock Exchanges, in which case the Company will pay in cash some or all of the undelivered Plan Shares due to such Participant under the Plan.

As a new development, a modification of the Remuneration Policy was approved in 2022 allowing for a maximum payment of EUR 30,000 in cash, and in the short term, which is deducted from the annual allocation of variable remuneration under the Long-Term Incentive Plan. This amount represents a small percentage (less than 15%) of the total annual variable remuneration of the Executive Director.

62. Once the shares, options or financial instruments corresponding to the remuneration systems have been allocated, executive directors may not transfer ownership or exercise them until a period of at least three years has elapsed.

An exception is made where the director maintains, at the time of the transfer or exercise, a net economic exposure to changes in the share price of a market value equivalent to an amount of at least twice his annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the appointments and remunerations committee, to meet extraordinary situations that so require.

Complies [X] Complies partially [] Explain [] Not applicable []

Following the latest amendment to the Remuneration Policy, the delivery of the Incentive continues to be subject to a Standstill Period (both in shares and in cash), and in addition the Executive Director undertakes to maintain ownership of a number of shares, options or other financial instruments such that he maintains an economic exposure to share price changes equivalent to an amount of at least twice his annual fixed remuneration.

63. Contractual arrangements should include a clause allowing the company to claim reimbursement of variable components of remuneration where payment has not been in line with performance conditions or where they have been paid on the basis of data subsequently found to be inaccurate.

Complies [X] Complies partially [] Explain [] Not applicable []

Following the latest amendment to the Remunerations Policy approved in the 2022 financial year, the Board, at the proposal of the Appointments and Remunerations Committee, may approve the total or partial cancellation (malus) and/or recovery (clawback) of the Incentive, in the event that (i) the Company's financial statements are restated; (ii) the final Incentive had been calculated on the basis of data that subsequently proves to be inaccurate and results in a lower variable remuneration to be paid; (iii) for serious breach by the Executive Director of the internal regulations and policies; and (iv) if the Company suffers significant losses due to important failures in the risk management, to which wilful or grossly negligent conduct has contributed. Cancellation (malus) may be applied by the Board of Directors during the Deferral Period and clawback may be applied by the Board of Directors during the 12 months following the payment of the Scheme Shares.

64. Payments for termination or expiry of the contract should not exceed an amount equivalent to two years of the total annual remuneration and should not be paid until the company has been able to verify that the director has complied with the criteria or conditions established for their receipt.

For the purposes of this recommendation, contractual termination or expiry payments should include any payments whose accrual or payment obligation arises as a result of or in connection with the termination of the director's contractual relationship with the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Complies [X] Complies partially [] Explain [] Not applicable []

Article 6.4.v of the remunerations policy:

"Termination of the Executive Director's contract for the reasons set out in (iii) or (v) above shall entitle the Executive Director to receive a severance payment equal to twice the last total annual remuneration received (including fixed remuneration, annual variable remuneration and long-term incentive plans)."

H. OTHER INFORMATION OF INTEREST

1. If there are any relevant aspects of corporate governance in the company or in the entities of the group that have not been included in the other sections of this report, but which it is necessary to include in order to provide more complete and reasoned information on the structure and practices of governance in the company or its group, briefly describe them.
2. This section may also include any other information, clarification or nuance related to the previous sections of the report insofar as they are relevant and not reiterative.

Specifically, indicate whether the company is subject to corporate governance legislation other than Spanish law and, if so, include the information that it is obliged to provide and which differs from that required in this report.

3. The company may also indicate whether it has voluntarily adhered to other international, sectoral or other codes of ethical principles or best practices. Where applicable, the code shall be identified, together with the date of subscription. In particular, it shall mention whether it has subscribed to the Code of Good Tax Practices of 20 July 2010:

The company has an interest in raising its level of internal voluntary compliance. In 2022, there was an opportunity to enhance and improve the level of compliance with the recommendations and the development of corporate governance, especially by modifying the Directors' Remuneration Policy. It is the Company's wish to continue in this line of improvement and development over the coming years.

This Annual Corporate Governance Report has been adopted by the Board of Directors of the company in its session held on

[27/03/2023]

Indicate whether any directors voted against or abstained from voting on the approval of this report.

- Yes
 No