

## 2022 ANNUAL REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF SOLTEC POWER HOLDINGS, S.A.

### 1. Introduction

This report complies with Recommendation 6 of the Good Governance Code for Listed Companies (“**GGC**” or “**Code**”), so that the Board of Directors of SOLTEC POWER HOLDINGS, S.A. (“**Soltec**” or “**Company**”) can regularly assess the performance of its Appointments and Remuneration Committee.

It is also adapted, in general terms, to the Spanish Securities Market Commission (CNMV)’s Technical Guide 1/2019 on Appointments and Remuneration Committees, to enable shareholders and other interested parties to understand the activities carried out by Soltec’s Appointments and Remuneration Committee (“**Committee**” or “**ARC**”) during 2022.

This report is structured in accordance with point 11 of section Three of Technical Guide 1/2019, which sets out the minimum content of the ARC report, which is expected to be published on the Company’s website well in advance of the Ordinary General Shareholders’ Meeting, as it should enable shareholders and other interested parties to understand the activities carried out by this Committee each year.

### 2. Committee Regulation

The Committee is governed by the provisions of the applicable regulations and laws, the provisions of the Company’s Articles of Association, the Board Regulations and, by way of reference, the GGC and Technical Guide 1/2019 of the Spanish Securities Market Commission (CNMV).

In this regard, Article 529 *terdecies* of the Corporate Enterprises Act sets out that listed companies must establish at least one Appointments and

Remuneration Committee, and Article 529 *quidecies* regulates its composition, operation and powers.

The rules governing the composition, operation and responsibilities are set out in Article 24 of the Articles of Association, having been developed through Article 15 of the Board Regulations.

These documents are available on Soltec's corporate website.

Among the recommendations included in the Guide 1/2019 is that it would be useful for ARCs to have their own rules of procedure approved by the Board of Directors. While it is true that the Company has an interest in complying with all the recommendations of the GGC, it is also true that the development contained in the Company's Board Regulations is sufficiently detailed.

### **3. Composition of the Committee**

In accordance with the provisions of Soltec's Articles of Association and the Board Regulations, the Committee will be formed exclusively by non-executive directors, the majority of whom are independent.

As established in Recommendation 47 of the Good Governance Code for Listed Companies ("GGCLC") and the Board Regulations, the members of the Committee, especially its Chair, have been appointed taking into consideration their knowledge, skills and experience in matters relating to the functions to be performed by the Committee.

Accordingly, the Committee consists of three members, a chair and two members.

The CVs of each of them are published on the Company's website, where their curricula vitae and profiles are described.

The composition of the members of the ARC has not changed during 2020.

As at 31 December 2022, the composition of the Committee has not changed with respect to the previous year and is composed of:

<i>Director</i>	<i>Type</i>	<i>Position</i>
Ms María Sicilia Salvadores	Independent Director	Chair
Ms Nuria Aliño Pérez	Independent Director	Member
Mr Fernando Caballero de la Sen	Independent Director	Member

Their term of office expires on 6 October 2024.

The composition of the Committee and the *curricula vitae* of its members are published on the Company's website and are available at all times.

No member of the Appointments Committee has an executive role in the Company, and its three members are independent directors, thus fully complying with legal requirements and good governance recommendations that the committee be composed of a majority of independent directors.

#### **4. Attendance**

In addition to the members of the ARC, all Committee meetings are attended by Ms Silvia Diaz de Laspra Morales, as Secretary of the Committee, and Ms María de la Torre Rodríguez, as Legal Advisor. Also in attendance were the persons and employees of Soltec at the invitation of the Chair who were related or whose attendance was necessary to deal with the item on the agenda for which they were required.

With regard to the Committee meetings, during 2022, in addition to the members of the Committee, the Secretary of the Board and the Legal Advisor, the Chair also invited the managers of those areas and items of the agenda that were required, such as the Director of Organisation and people from their team, the CFO and all those managers and employees of the Group that the Chair deemed appropriate in order to have all the necessary information to carry out the deliberations of each of the items on the agenda.

#### **5. Duties of the Committee**

The duties attributed to the Committee and its rules of operation are laid

down in Article 24 of the Company's Articles of Association and developed in Article 15.5 and 15.6 of the current Board Regulations.

We refer to these texts published on the Company's corporate website for further details.

## **6. Operation of the Committee**

In terms of its operation, the Committee carried out its activities during 2022 following the best practices of Corporate Governance.

The meetings were convened by the Chair of the Board, with the collaboration of the Secretary of the Board and the Board's Legal Advisor. As mentioned above, the Committee was attended by certain executives of the Company to deal with matters within their competence, in accordance with the agenda. The agenda was sent to all meeting participants, with the necessary advance notice before the meeting, together with the relevant documentation for each item on the agenda.

On several occasions the Chair called preparatory work sessions attended by the members of the Committee, as well as by the persons she considered necessary or who were to be summoned to the Committee for the meeting, in order to promote a better understanding of the items on the agenda by the Board Members and to make the Committee meetings as effective as possible.

Minutes of the session and of the deliberations and resolutions adopted were prepared by the Committee Secretary. These minutes were reviewed by the directors and their approval was included as an item on the agenda of the next meeting of the Committee.

On an ordinary basis, the Chair reported to the Board of Directors on matters that were subject to Board approval. In this report, the Chairman of the Committee informed the members of the Board of the discussion and considerations of the Committee and reported favourably or unfavourably on the approval of this item within the Committee, as well as her recommendations or criteria for evaluation by all the members of the Board

## **7. Meetings held**

During 2022, the Appointments and Remuneration Committee held six meetings, with a personal attendance rate of 100% of its members and 100% of members present and/or duly represented, as well as the Secretary of the Committee and the Legal Advisor.

## **8. Committee activities**

Throughout 2022, the most significant activities carried out by the Committee are described below:

- (i) It approved the Appointments and Remuneration Committee's Work Plan for 2022.
- (ii) It approved the targets and modification of the Long-Term Incentive Plan.
- (iii) It reviewed the Corporate Governance Plan for 2022.
- (iv) Organisational risk review
- (v) It approved the ARC activity report in 2021.
- (vi) It approved the risk report for 2022.
- (vii) It approved the appointment of Mr Jorge García as CIO.
- (viii) It analysed the explanatory report on the application of the LTI for 2021.
- (ix) It reported on the modification of the Directors' Remuneration Policy made in 2022.
- (x) It approved the Annual Directors' Remuneration Report for 2022.
- (xi) It supervised the composition of the Steering Committee.

- (xii) It supervised the Performance Evaluation Process (EVA) and management by targets (DPO) for year 2022.
- (xiii) It supervised the process of setting DPO and LTI targets for 2023.

## **9. Assessment of the Committee and progress**

In compliance with Articles 529 *nonies* section 1 of the LSC and the Board Regulations, the annual evaluation of the Committee for 2022 was carried out.

During 2023, we will continue to work in a cross-cutting and coordinated manner with the company's different divisions, with the objective of consolidating Soltec's leadership position in retributions.

## **10. Conclusion**

Throughout 2022, no events or circumstances occurred in the areas of competence of the Committee that have required its intervention and/or forwarding to the Board of Directors.

This annual report will be presented to the Board of Directors of the Company at the meeting scheduled for 27 March 2023.

Madrid, 17 March 2023

Ms María Sicilia Salvadores  
Chair of the Appointments and Remuneration Committee