



ENDESA 2022-2024 Remuneration  
Policy for ENDESA Directors

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## **ENDESA 2022-2024 Remuneration Policy for ENDESA Directors**

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## **1. Regulatory framework governing the Remuneration Policy**

The Endesa Director Remuneration Policy was drawn up in accordance with prevailing law. It is largely in line with best practice in corporate governance, as set out in the Good Governance Code of Listed Companies and Technical Guide 1/2019 on Appointments and Remuneration Committees, both documents issued by the Spanish National Securities Commission (*Comisión Nacional del Mercado de Valores*).

This Director Remuneration Policy of Endesa shall remain in force from the date of its approval until, as the case may be, the end of the maximum three-year period.

The Remuneration Policy submitted by the Board of Directors to the General Shareholders' Meeting for approval shall be justified and accompanied by a specific report drafted by the Appointments and Remuneration Committee.

Endesa's Director Remunerations.

Any amendment or substitution of the policy during the period provided for in section 6 below shall require the prior approval of the General Shareholders' Meeting.

## **2. General principles of the remuneration policy**

The remuneration policy applicable to the Board of Directors is based on the principles of balance, effective dedication of the Board and alignment with the long-term strategies, interests and sustainability of Endesa and its shareholders. Remuneration is aimed at attracting, retaining and motivating people with the adequate qualifications to perform the duties inherent in the office of Director of a Company with the characteristics and traits of a company such as Endesa, taking into account the duties, best remuneration practices and comparative analysis conclusions reached by specialized external advisors and the results of the Company.

Transparency in terms of remuneration is another of the principles that underpins this Policy, in line with best practices in corporate governance.

In general, Non-Executive Directors receive only that remuneration which is required to compensate for their dedication, without compromising their independence. This is provided through a monthly fixed remuneration and attendance allowance.

Fixed remuneration amounts and allowances for Directors, in their condition as such, as well as remuneration of the Executive Directors are approved by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, and are subject to the obligation of transparency.

Endesa's remuneration policy is largely in line with the recommendations of national and international corporate governance regulations and seeks to:

- Adequately remunerate its Directors, taking into account the principles of equality, dedication and responsibility.



- Ensure that director remuneration is calculated in reasonable proportion to the Company's importance and economic situation, as well as to the market standards for comparable companies.

Specifically with regard to Executive Directors, the aim of Endesa's Remuneration Policy is:

- To establish remuneration in accordance with objective criteria relating to their individual performance and compliance with the Company's business objectives.
- For the structure of his/her remuneration 2021 to ensure a suitable mix between fixed remuneration, ordinary variable remuneration and long-term variable remuneration.
- For the components of variable remuneration to be linked to reaching specific objectives that are quantifiable, in line with social interest, consistent with the Company's circumstances, and for them to contribute to compliance with the Company's Strategic Plan and long-term sustainability.
- For the variable components to be linked to the objectives for the Strategic Plan approved annually by the Board of Directors, and especially to the Company's economic objectives, the Action Plan on Climate Change, the Sustainability Plan and ESG factors.
- For the variable components of remuneration to include malus and claw-back clauses that enable the Company not to pay or demand the refund of these components when the amount does not correspond to the performance conditions or if they have been paid in accordance with data that are subsequently determined to be inaccurate.

The Directors' Remuneration Policy is aligned with the criteria that determine the conditions for the remuneration and employment of the Company's workers:

- The remuneration policy for the Directors and employees of the Company is based on attracting and maintaining talent, establishing remuneration based on the experience, responsibility, dedication and characteristics of each person, applying the principles of equity, dedication and responsibility, and guaranteeing equal opportunities, non-discrimination and respect for diversity.
- The total remuneration for Endesa's employees consists of a fixed remuneration, as well as remuneration in kind and other social benefits. A large majority of the workforce also receives variable remuneration. The fixed remuneration has a reasonable weighting, since there may be times when the variable remuneration is not paid if the minimum levels established are not reached.
- The short-term variable remuneration for Endesa's employees has a structure aligned with that applied to Executive Directors. The objectives of the variable remuneration of Executive Directors and the staff are coherent with each other and are all linked to reaching specific objectives that are quantified and linked to compliance with the Company's Strategic Plan and long-term sustainability.

- The long-term variable remuneration received by Endesa's managers with greater strategic responsibility follows the same criteria and has the same objectives as those approved for Executive Directors.

The Appointments and Remuneration Committee will also annually review the need to modify this policy, with the internal support of those responsible for the areas of People and Organisation, Strategy, Financial Economics, Sustainability and the Secretary of the Committee, to ensure that it is in line with the situation and strategy of the Company and with market conditions and to assess whether it contributes to the creation of long-term value and to the control and management of the appropriate risks. The Appointments and Remuneration Committee, supported internally by senior members of the Human Resources, Strategy, Economic and Finance and Sustainability Divisions and the Committee Secretary, should review the Endesa Director Remuneration Policy for 2019-2021 each year to determine whether it should be revised to ensure that it is aligned with the Company's situation and strategy and market conditions, assessing whether it contributes to long-term value creation and adequate risk control and management.

### **3. Remuneration System Applicable to Directors in their Condition as Directors**

With regard to the remuneration corresponding to Executive Directors for the performance of executive functions (other than that corresponding to a directors in his/her capacity as such) the concepts for remuneration applied should generally those applied by listed companies for the remuneration of their senior management and particularly the same structure as that applicable to Endesa's senior management should be applied.

In this regard, article 40 of the Bylaws establishes that the remuneration arising from membership of the Board of Directors should be compatible with other remuneration, compensation, contributions to social provision systems or any other remuneration for professional services or work corresponding to Directors for any other executive, advisory or representation duties discharged by them on behalf of the Company other than those of supervision and collective decision-making which are specific to their status as Directors and should be subject to the legal regime applicable to them.

Directors should be remunerated for their executive duties based on the level of responsibility assigned to them and their individual performance, in line with market conditions for analogous levels of responsibility.

The remuneration of the Executive Directors is made up of fixed, variable short-term and variable long-term remuneration.

Target short- and long-term variable remuneration for Executive Directors should account for 50% or over of total annual remuneration payable to them and linked to a metric ensuring remuneration for exceeding performance targets. This should also include a minimum threshold below which no right to this kind of remuneration shall accrue.

Therefore, the total remuneration for Executive Directors may vary between a minimum, represented by fixed remuneration, and a maximum, which can be attained by exceeding

targets. In these cases, variable remuneration will represent more than 60% of total remuneration.

### **3.1. Fixed remuneration**

This remuneration will be in line with the market practices followed by comparable companies for analogous levels of responsibility and its weighting on total remuneration will be sufficient to ensure that sufficient flexibility is allowed to manage the variable components.

When determining and potentially updating such remuneration, the Appointments and Remuneration Committee should take into account the preceding criteria and should also make proposals to the Board of Directors regarding individual remuneration and other contract conditions for Executive Directors.

The annual fixed remuneration of the CEO amounts to €960 thousand gross.

This amount has been set pursuant to the criteria outlined in Section 3.3 herein and will remain so as long as the Board of Directors does not agree to update it, as outlined in the aforesaid section.

### **3.2. Variable remuneration**

Targets will be established for variable remuneration that are linked to variables based on individual performance and financial, non-financial and social responsibility criteria and should be predetermined, quantifiable, measurable and in line with the Company's strategy, and should also promote long-term sustainability and profitability of the Company. The Board of Directors, at the proposal of the Appointments and Remuneration Committee, should establish the targets for each of the Executive Directors on an annual basis.

The definition of variable remuneration for Executive Directors should incorporate clauses that enable the perception of these variable concepts to be deferred sufficiently to verify effective compliance with the targets and for it to be subject to reimbursement clauses. In any case, the Appointments and Remuneration Committee should annually verify, in accordance with the Procedure approved by this Committee for this purpose, where there are any circumstances that may justify proposing the application of these clauses to the Board of Directors.

#### **3.2.1. Short-term variable remuneration**

The management of short-term variable remuneration in Endesa is based on the recognition of the contribution of each person to compliance with the Company's business strategy and interests based on the allocation of targets and the subsequent measurement of the results obtained according to the Company's guidelines.

The above-mentioned objectives are linked to the Company's recurring results and business developments in the short term. The main dimensions to be used include the following:

- Economical-Financial: EBITDA (gross profit from operations), Cash-Cost (fixed operational costs and investment in maintenance), FFO (Funds generated by

operations, Cash flow before dividends, gross investment and extraordinary transactions), margin on regulated business, commercial margin, margin on integrated business, OPEX (fixed operating costs), Net debt, CAPEX (investment in tangible assets), optimisation of commercial processes and growth in customer portfolios.

- Non-Financial: Safety and a reduction in accident rates, availability of production plants, efficiency indicators, service quality, business line efficiency and specific projects.
- Proposals may also be made for targets with regard to corporate governance, environmental issues, sustainability, as well as those linked to personal performance by Directors.

For each objective, a weighting should be established in accordance with its relative importance. Each of the objectives has an associated achievement scale defined according to the level of requirement for the budgets. It has a minimum compliance threshold, below which the right to the incentive is not generated, a target level that corresponds to 100% and a level of maximum overachievement up to 120%.

The target value for short-term remuneration for the Chief Executive Officer amounts to 567 million euros.

It is the responsibility of the Board of Directors, at the proposal of the Appointments and Remuneration Committee, to approve the establishment of each target, its weighting and the metrics for compliance, prior to their application for each financial year. It should also approve the assessment of the level of compliance once the financial year has ended. In accordance with the level of compliance and weighting for each target, the Appointments and Remuneration Committee should propose to the Board of Directors an average weighted level of compliance that will be used to pay the annual incentive.

Where there are exceptional circumstances that occur during the year, and in order to guarantee that variable is effectively related to the professional performance of the beneficiaries, the Appointments and Remuneration Committee and the Board of Directors may modify the targets and/or criteria previously established for assessment and notify them in their annual on remuneration to the directors, and this will be voted on at the General Shareholders' Meeting on a binding basis.

Variable remuneration based on the Company's results should be paid out once the General Shareholders' Meeting has approved the annual financial statements and, if the external audit report contains any qualifications, the results should be reduced accordingly.

### **3.2.2. Long-term variable remuneration**

Endesa's long-term variable remuneration was in place in 2019 through the so-called Loyalty Plan. In 2020, the Plan was partially redesigned and renamed "Strategic Incentive". Its main purpose is to reward contributions to the sustainable fulfilment of the Strategic Plan by people in positions of greater responsibility, although the main change is that of adapting executive director remuneration to the best corporate

governance practices, with shares included as part of the payment of the aforesaid "Strategic Incentive".

Executive Directors may not transfer any Company shares received as part of the long-term variable remuneration plans referred to in this section until at least three years have elapsed from their allocation.

The Loyalty or Strategic Incentive Plan is structured through successive three-year programs, commencing each year.

In order to contribute to the Company's business strategy, interests and long-term sustainability, the targets for long-term variable remuneration are aligned with the creation of value for the shareholder and are based on factors including a reference to the price of Endesa's shares, TSR (Total Shareholders Return), ROACE (Return On Average Capital Employed) and other indicators, especially those related to the environment, sustainability and climate change, such as reductions in CO<sub>2</sub> emissions, net installed capacity from renewable sources and those related to Corporate Governance issues such as promoting gender diversification.

The plans provide for deferred payment and require that the Director be active at the time payment is made (unless the director is retiring or leaving the company due to termination of a fixed-term contract, in which case the director may collect on the plans completed as at the date of removal, although payment will be deferred until the applicable date, even if the director is not active at that time); these payments are made in two instalments: 30% of the incentive, if applicable, in the year after the plan ends, and the remaining 70%, if applicable, in the second year after termination of the plan.

#### ***Timeline of the Loyalty Plan***



(\*) If performance targets are met

The Board of Directors should, at the proposal of the Appointments and Remuneration Committee, be responsible for establishing objectives and verifying if said objectives have been met:

Where there are exceptional circumstances that occur during the year, and in order to guarantee that variable is effectively related to the professional performance of the beneficiaries, the Appointments and Remuneration Committee and the Board of Directors may modify the targets and/or criteria previously established for assessment and notify them in their annual on remuneration to the directors, and this will be voted on at the General Shareholders' Meeting on a binding basis

For each program and for each of the targets, a threshold level will be set beyond which the target will be considered to have been met. Two target over-performance levels will also be established – performance beyond the first level, equivalent to 150% of the

incentive base and performance beyond the second level equivalent to a maximum 180% of the incentive base. Therefore, variable remuneration levels for each of the programs will range from 0% to 180% of the incentive base (which equals 100% achievement).

The incentive base value for the CEO is €518 thousand.

### **3.2.3. Ex-post control of variable remuneration**

As regards short- and long-term variable remuneration, a *malus* clause will be applied, authorizing the Company to withhold payments of any accrued and outstanding variable remuneration, as well as a clawback clause requiring directors to return any variable remuneration received in cases where, following payment of the incentive, it is found that the data used for such calculation or payment was clearly erroneous.

The Appointments and Remuneration Committee may submit a proposal to the Board of Directors for non-payment or request for reimbursement of variable components if it is subsequently determined that calculations were based on data that was clearly erroneous.

In this regard, the Company has a procedure for verification of malus and claw-back clauses, which was approved by the Appointments and Remuneration Committee, and by means of which the Appointments and Remuneration Committee verifies, with the support of Endesa's Internal Audit Department, whether circumstances exist that justify the application of the malus or claw-back clauses applicable to the executive Directors and, as the case may be, proposes the relevant measures to recover the applicable amounts.

### **3.3. Revision of Executive Director Remuneration**

In accordance with Article 217.4 of the Corporate Enterprises Act, which states that Directors' remuneration should in all cases be reasonably proportional to the Company's relevance, economic situation from time to time and market standards for comparable companies, Directors' remuneration should be regularly revised or updated.

Any potential changes to the Executive Directors' fixed annual remuneration or targets for variable remuneration during the period covered by this Policy should be determined by the Board of Directors, taking into account, *inter alia*, performance information on the Spanish labour market, growth forecasts for each year and relevant market research and analyses. These changes will be announced in the Annual Directors Remuneration Report, which should be submitted, as a separate agenda item, to a binding vote of the next General Shareholders' Meeting held.

### **3.4. Long-term savings schemes**

Executive directors are beneficiaries of supplementary social welfare system benefits that cover the contingencies of retirement, disability and death.

#### Retirement:

This system is implemented through contributions to the Endesa Group Employees' Pension Plan in which the executive is a participant depending on which company they were hired by and when, as well as through additional contributions to an insurance policy or similar instrument for such purpose.

The Chief Executive Officer also benefits from a defined savings scheme based on their seniority and background in the Endesa Group, with the contributions and rights accrued thereunder reported annually in the Annual Report on Director Remuneration.

The Company maintains its commitment to the defined benefit consisting of the collection of an annual and constant annuity, after reaching the legal retirement age of 65 and having retired as CEO, for an estimated amount of €867 thousand per year (including the public social security pension and the benefit derived from the pension plan), and with a reversion to the surviving spouse in the case of death equal to 45% of the income they were receiving, discounting the social security widowhood pension and the guaranteed widowhood pension in the pension plan.

The aforementioned annual amount has been estimated on the basis of the year 2022, when the CEO will reach the age of 67. In case of deferral of their effective retirement due to reappointment as Chief Executive Officer, this annual amount will be reassessed.

The rights of the beneficiary accrue thereto at the time of the contribution.

Death:

Regarding the coverage of disability and death, Endesa has signed a life and accident insurance policy which guarantees certain capital and/or income depending on the contingency in question.

Coverage of disability or death and of retirement are exclusive benefits, i.e. in the event of death or disability prior to effective retirement, the director, in the case of disability, or their beneficiaries, in the case of death, should receive the benefits specified for such events, without this representing any right to receive retirement benefits.

### **3.5. Other remuneration**

Executive directors, as well as all other senior managers, are provided with the following: a loan scheme, with or without interest, up to a maximum equivalent of their annual remuneration; a collective healthcare policy with a 100% subsidy for the policyholder's premiums and family dependants and assignment of a rental company car.

Like all other Endesa employees and under the same terms and conditions, executive directors have the right to electricity at the employee rate.

### **3.6. Main terms and conditions of Executive Director contracts**

Executive Director contracts are indefinite. They generally include confidentiality, document return, termination and non-competition clauses in the following terms:

1. Confidentiality: commits and undertakes to maintain strict confidentiality of all data and information on Endesa available to the Director by virtue of his/her position in the Company and further undertakes to neither use nor take advantage of said information whether for him/herself or on behalf of third parties.



2. Return of documents: upon termination of his/her employment, the Director should return to the Company all books, documents, materials and other assets related to his/her activity which may currently be under his/her authority, possession, or control.

3. Termination: in certain cases of termination of the relationship, a minimum notice period of three months is established which, in case of any breach, requires the payment of the notice period not observed. The aforementioned contracts will not contain signing bonuses.

The system applied to the Chief Executive Officer is as follows:

The contract signed with the Chief Executive Officer does not provide for remuneration for dismissal from office.

Notwithstanding the foregoing, when the Chief Executive Officer resigns, their previous relationship – his senior management contract, suspended since his appointment as CEO – will be automatically terminated, in which case, through the termination of his executive management relationship, Mr. Bogas will be entitled to receive a net amount of €6,527 thousand, this sum being the result of reducing the gross severance payment consolidated by the amount of withholdings on account of personal income tax and, where appropriate, the Social Security contributions applicable on the date of payment.

This net amount of 6,527,000 euros includes the two-year post-contractual non-competition agreement included in the CEO's senior management contract. This remuneration is compatible with the defined benefit savings scheme for the CEO as specified in Section 3.4.

The termination in the event of death or retirement recognizes the right of the CEO or its assignees to the guaranteed remuneration.

The Annual Report on Director Remuneration provides the detail of severance payments agreed or paid as a result of the termination of duties as director.

4. Settlement of wages: the severance payments described in section 3 above are without prejudice to the settlement of wages accrued by the Executive Director over the period of his/her directorship, the respect of any pension-related entitlements, including the contribution for the year of the termination, as well as the maintenance for a reasonable period of time in the Board of Directors' opinion of the remuneration in kind received as of the termination of the employment relationship.

5. Post-contractual non-competition agreement: Specifically, in the case of termination of the CEO's employment, the conditions set forth in their contract include a post-contractual non-competition clause with a term of two years, with the remuneration included in the severance payment for senior management contractual termination referred to above.

### **3.7. Addition of new Executive Directors**

Based on the principles of the remuneration policy, payment to any new executive directors added should be determined based on the level of responsibility assigned thereto and their professional experience, ensuring that internal equality and external



competitiveness are maintained and establishing remuneration in line with best market practices.

If one of the Company's senior executives is appointed as an executive director, their senior management contract should be suspended and they should execute a new contract as an Executive Director. If any such director resigns their position, the prior relationship may be resumed.

If new Executive Directors are appointed, their maximum remuneration should be established by the Board of Directors, at the proposal of the Appointments and Remuneration Committee. However, the limit on the fixed and variable remuneration established in the previous sections for the CEO will be applicable to the Board of Directors. Moreover, his/her remuneration package may include participation in long-term savings schemes and other remuneration items in line with those established for the Company's senior officers.

The addition of new Executive Directors and their specific remuneration during the first year of office as Executive Director should be disclosed in the Annual Report on Director Remuneration, which should be submitted to a binding vote as a separate agenda item of the first General Meeting held thereafter. Any amendments to the Director Remuneration Policy or a new such policy itemizing the remuneration of new executive directors should also be submitted for approval at this General Meeting.

Notwithstanding the above, in accordance with best corporate governance practices, when new Senior Management joins the Company or its Group, a maximum limit of two years of total annual remuneration should be established for payments for termination of contracts, including amounts not already paid out under long-term savings systems as well as amounts paid under post-contractual non-competition agreements, which should also apply under the same terms to the contracts with executive Directors.

#### **4. Remuneration System Applicable to Directors in their Condition as Directors**

The Remuneration Policy is aimed at, as regards remuneration of directors for their condition as such, adequately remunerating Directors in accordance with the principles of equality, dedication and responsibility, provided said remuneration should under no circumstances compromise their independence.

Director remuneration should be calculated in reasonable proportion to the importance and economic position of the Company as well as to the market standards for comparable companies.

Taking into account the Remuneration Scheme provided in the Bylaws, the remuneration of Directors for their condition as such should comprise the following two items:

- a) Fixed monthly remuneration.
- b) Allowances for attending each meeting of the governing bodies of the Company and their committees.

The Board of Directors itself, at the proposal of the Appointments and Remuneration Committee, should be responsible for determining the exact amount to be paid in each fiscal year, subject to the limit set by the General Shareholders' Meeting, as well as allocating such amount between the directors, in the manner, time and proportion as

freely determined, considering the positions, functions and internal responsibilities and of institutional representation entrusted to each Director, their membership in Board Committees and all other relevant objective circumstances.

In this regard, the following are considered to be positions on the Board of Directors that should be subject to special remuneration: Non-executive chairman and chairman, as well as the different members of the Board of Directors' committees.

Directors shall receive the following for their seat on the Board of Directors:

- Members of the Board of Directors:
  - ✓ Monthly fixed remuneration of Euros 15,642.56 (gross).
  - ✓ Allowances for attending each meeting of the governing bodies of the Company and their committees, of Euros 1,502.23 (gross).
- In addition to the remuneration indicated for members of the Board of Directors and in exercise of the powers to distribute the maximum amount of remuneration of directors as such approved by the General Meeting, the following criteria for remuneration shall be applicable when they are effectively appointed to these positions:
  - ✓ Non-executive Chairman of the Board of Directors: they should receive monthly fixed remuneration of Euros 50,000 (gross) (rather than the monthly fixed remuneration of Euros 15,642.56 (gross) provided for other members). In light of the non-executive Chairman's duties of institutional representation in the performance of his position, the non-executive Chairman will also be provided a chauffeur-driven car and medical insurance, under the same terms as the CEO.
  - ✓ Chairman of the Audit and Compliance Committee: they should receive a monthly fixed remuneration of Euros 3,000 (gross) (in addition to the monthly fixed remuneration as member).
  - ✓ Chairmen of the Appointments and Remuneration Committee and the Sustainability and Governance Committee: They should receive a monthly fixed remuneration of €2,000 (gross) (in addition to a monthly fixed remuneration as member).

The amounts corresponding to the remuneration of Directors in their capacity as such may be reviewed and modified annually by the Board of Directors at the proposal of the Appointments and Remuneration Committee, always within the maximum established by the Annual General Meeting.

Finally, it should be noted that, in general, External Directors are not entitled to receive remuneration items provided to remunerate for executive duties performed, including severance pay, contributions to social welfare systems or any other remuneration items applicable to the Executive Directors for any executive duties performed thereby, as the case may be, for the Company beyond monitoring and joint decision-making in their condition as Directors.

## **5. Total annual remuneration paid to directors as a whole**

In accordance with Article 40 of Endesa's Bylaws, maximum overall annual remuneration for the Directors in their condition as such should be as established by the General Shareholders' Meeting and should remain in force until such time as an amendment thereto is resolved.

For these purposes, Directors should receive a maximum annual amount of four million euros as attendance allowances, a fixed monthly allowance, for being on the Board of Directors and for chairing its Committees, or the amount approved at subsequent General Shareholders' Meetings. The criteria for the distribution of this amount should take into account the functions and responsibilities attributed to each Director, the Board of Directors' Committees of which he/she is a member and any other objective circumstances that are considered to be applicable.

The maximum annual remuneration for Directors as a whole, for their performance of both executive and non-executive duties, should be calculated including the remuneration items received by the Executive Directors, including:

- ✓ Fixed remuneration, as specified in section 3.1 hereof and updated, as the case may be, in the Annual Report on Director Remuneration.
- ✓ Short-term variable remuneration, qualitatively described in section 3.2.1. hereof, which also specifies the target levels and values to be attained by the Executive Directors. Said remuneration is established for each fiscal year, using the relevant indicators and the performance results as reported in the Annual Report on Director Remuneration.
- ✓ Long-term variable remuneration approved, as the case may be, by the General Shareholders' Meeting, qualitatively described in section 3.2.2. hereof, which also specifies the target levels and values to be attained by the Executive Directors. Said remuneration is established for each fiscal year, using the relevant indicators and the performance results as reported in the Annual Report on Director Remuneration.
- ✓ Long-term savings systems, as described in section 3.4. hereof, supplemented by the annual contributions specified in the Annual Report on Director Remuneration.
- ✓ Other remuneration, as described in section 3.5. hereof, with specific annual remuneration being detailed in the Annual Report on Director Remuneration.
- ✓ Furthermore, in the event of termination of the relationship with any Executive Director, the indemnities referred to in section 3.6. hereof and in the Annual Report on Director Remuneration could also be paid out.



The Appointments and Remuneration Committee should verify, on an annual basis, that the Remuneration Policy is enforced and that the remuneration effective paid to each Director complies with the Policy.

## **6. Remuneration Policy term**

The Company should apply this Remuneration Policy for Directors from that date on which it is approved and where applicable for a maximum of three years (2022 to 2024).

Any modification or replacement of the 2022-2024 Remuneration Policy for Directors during this period will require the prior approval of the General Shareholders' Meeting in accordance with the provisions of current legislation.

In any case, this Policy should be interpreted notwithstanding any payments to be received by Executive Directors during these years with regard to deferred payments of variable remuneration from previous fiscal years, which should be made subject to the relevant conditions established for such remuneration.