



**REMUNERATION POLICY FOR  
DIRECTORS OF ACCIONA, S.A.**

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## 1. BACKGROUND AND SCOPE

Pursuant to the terms of article 529 novodecies of Legislative Royal Decree 1/2010, of 2 July, which approves the restated text of the Spanish Companies Act ("**Spanish Companies Act**" or "**LSC**"), it is for the General Meeting of Shareholders to approve the Remuneration Policy for Directors, at least every three years, as a separate item on the agenda.

To that end, article 31.5 of the Articles of Association of ACCIONA, S.A. ("**ACCIONA**", the "**Company**" or the "**Undertaking**") establishes that the Company will have a remuneration policy for Directors in line with the system of remuneration envisaged in the Articles of Association and that will have to be approved by the General Meeting, at least every three years, as a separate item on the agenda. Moreover, it stipulates that any amendment to or replacement of the Remuneration Policy will require the prior approval of the General Meeting.

Further to the above, the Board of Directors of ACCIONA, acting on a proposal from the Appointments and Remuneration Committee, resolved at its meeting of 20 April 2020 to propose to the General Meeting of Shareholders the Remuneration Policy for Directors of ACCIONA for financial years 2021, 2022 and 2023 (the "**Remuneration Policy**" or the "**Policy**"), with the content established in the Spanish Companies Act.

This proposed Remuneration Policy is accompanied by a reasoned report justifying the same from the Appointments and Remuneration Committee, in accordance with the above-mentioned regulations. Both documents will be made available to shareholders on the Company website as of the announcement of the General Meeting of Shareholders to which approval of the Remuneration Policy is submitted.

This document identifies, includes and regulates, among other things, the procedures for the determination and approval of the Remuneration Policy, the frequency of review thereof, its general characteristics, its compatibility with appropriate and effective risk management, with the strategy, objectives, values and interests of the Company in the long term, the general principles of the Remuneration Policy, as well as the different remuneration schemes applied.

## 2. OBJECTIVES OF THE REMUNERATION POLICY

The main purpose of this Policy is, as part of the remuneration system established in the Articles of Association, to establish the basis for remuneration of the members of the Board of Directors of ACCIONA in order to establish a system of remuneration that is compatible with business strategy, and the long-term objectives, values and interests of the Undertaking, both in absolute terms and compared with the rest of the sector.

As a result of the above, the practical development of the Policy has been designed with the following objectives:

- Attract, retain and motivate the contribution of the professionals that the Company needs to cover the range of knowledge, competences and experience required on the Board of Directors, ensuring that it has suitable candidates for each position, in line with the applicable regulations;
- Enhance consistency in remuneration with effective risk management;
- Prevent possible conflicts of interest; and
- Motivate and strengthen the achievement of results for the Company.

All in all, this Policy is designed to define and control, in a clear and concise manner, the remuneration practices of the Company vis-à-vis its Directors so that, pursuant to article 217 of the Spanish Companies Act, on the one hand, it promotes the profitability and sustainability of the Company in the long term and, at the same time, includes the necessary safeguards to avoid the assumption of excessive risks and the rewarding of unfavourable outcomes.

Pursuant to the above, the Remuneration Policy seeks to establish a remuneration scheme that is in line with the dedication and responsibility assumed by the persons to which it applies, so that, on the one hand, it attracts and retains the most appropriate profiles and, on the other, contributes to the Company being able to meet its strategic objectives in the context in which it performs its activity, all in accordance with the terms of the legislation in force.

In accordance with the terms of article 217 of the Spanish Companies Act, remuneration will be reviewed regularly so that it is reasonably proportional to the size of the Company, its financial situation and the market standards of comparable companies.

### **3. GENERAL PRINCIPLES OF THE REMUNERATION POLICY**

With a view to ensuring that the Company has an appropriate Board of Directors Remuneration Policy, ACCIONA has deemed it appropriate to establish clear principles in terms of corporate governance and the structure of the Policy.

The Remuneration Policy of the Company, including that of the members of the Board of Directors who perform executive functions, is governed by the following principles:

- Consistency with the business strategy: the Board of Directors will offer remuneration that is consistent with the business strategy, risk tolerance and long-term values of the Company.
- Corporate governance and transparency: the Board of Directors will adopt the measures necessary to ensure good governance and transparency in remuneration of Directors.
- Balanced design: the Board of Directors will strive to ensure a reasonable proportion of fixed and variable components, annual and pluriannual, payments in cash and in shares. Specifically, variable remuneration must be relevant and include the technical

safeguards necessary to ensure that the remuneration bears a relation to the professional performance of the beneficiaries and is not derived simply from market evolution in general in the Undertaking's sector of activity or other similar circumstances.

The Board will consider the particular situation of the Executive Directors, whose interests may already be aligned with those of the Company shareholders, in which case, with a view to avoiding unnecessarily affecting share liquidity and using equity properly, payment of variable remuneration by means of the delivery of shares or share options will be avoided.

- Internal fairness: the Board of Directors will strive to ensure that the system of remuneration offers similar remuneration for comparable functions and dedication.
- Alignment with market practice: the Board of Directors will ensure that the remuneration of Directors is moderate and in line with what is paid in companies of a similar size and activity.

## **4. SYSTEM OF REMUNERATION OF THE BOARD OF DIRECTORS DUE TO ITS COLLEGIATE FUNCTIONS**

### **4.1. Provisions in the Articles of Association**

Article 31.2 of the Articles of Association of ACCIONA establishes that the remuneration of Directors, in their capacity as such, will consist of a fixed annual amount, linked to their membership of the Board of Directors and to any Committees of which the Director may be a member.

The amount of the remuneration that the Undertaking may pay its Directors as a whole linked to their membership of the Board of Directors and any Committees, will be that stipulated by the General Meeting of Shareholders, which will remain in force until it is resolved to modify it, although the Board of Directors may reduce the amount in those financial years in which it sees fit.

The establishment of the exact amount to be paid within that limit and its distribution among the different Directors is a matter for the Board of Directors, taking into consideration the positions, functions and responsibilities attributed to each Director, membership of Board Committees, the positions held on the same and any other objective circumstances it deems pertinent.

In addition, and pursuant to article 31.6 of the Articles of Association, ACCIONA may take out a civil liability insurance policy for its Directors with the usual conditions and that is proportionate to the circumstances of the Company itself.

### **4.2. Remuneration elements**

Further to the above provision of the Articles of Association, the system of remuneration of Directors due to their functions of supervision and collegiate decision-making is comprised of the following remuneration elements:

- Annual fixed remuneration for membership of the Board of Directors.
- Additional annual fixed remuneration for membership of the following Delegate Committees of the Board of Directors:
  - Audit Committee.
  - Appoints and Remuneration Committee.
  - Sustainability Committee.
- Additional annual fixed remuneration for chairing the Delegate Committees of the Board of Directors.
- Additional annual fixed remuneration as Coordinator Independent Director.

The above notwithstanding, the Executive Directors do not receive any remuneration element for their functions of supervision and collegiate decision-making.

In addition, ACCIONA has taken out a civil liability insurance policy for its directors and executives, and covers the travel expenses of Directors related to the performance of their functions.

### **4.3. Maximum remuneration amount**

Pursuant to the terms of article 31.2 of the Articles of Association of ACCIONA, it is established that the maximum amount of the annual remuneration to be paid to Directors as a whole (except for Executive Directors) in their capacity as such, is 1,700,000 euros.

Unless the General Meeting of Shareholders decides otherwise, the distribution of remuneration among Directors will be established by a resolution of the Board of Directors, which will have to take into consideration the functions and responsibilities attributed to each Director, membership of Board of Directors Committees and any other circumstances it considers pertinent.

## **5. SYSTEM OF REMUNERATION FOR PERFORMANCE OF EXECUTIVE FUNCTIONS**

### **5.1. Provisions in the Articles of Association**

Article 31.3 of the Articles of Association states that remuneration derived from membership of the Board of Directors will be compatible with any other remuneration (fixed salaries; variable remuneration linked to achievement of business, corporate and/or personal performance targets; indemnifications for removals of Directors for reasons other than non-fulfilment of his/her duties; benefit schemes; deferred remuneration items) which, acting

on a proposal of the Appointments and Remuneration Committee and by virtue of a resolution of the Board of Directors, may correspond to Directors for the performance of other functions in the Company, whether they be senior executive or other functions, other than those of supervision and collegiate decision-making they perform just as Board members.

Meanwhile, article 31.4 of the Articles of Association establishes that, following a resolution of the General Meeting of Shareholders with the legally required scope, Executive Directors can also be remunerated by means of the delivery of shares or share options or by any other system of remuneration linked to share value.

## **5.2. Remuneration elements**

Further to the above provision of the Articles of Association, the system of remuneration of Executive Directors is comprised of the following remuneration elements:

- Annual fixed remuneration.
- Annual variable remuneration linked to economic targets and annual variable remuneration linked to specific achievements.
- Long-term variable remuneration.
- Savings Plans.
- Remuneration-in-kind.

These elements are implemented in the respective contracts, approved pursuant to the terms of article 249 LSC.

Below, pursuant to article 529 octodecies LSC, are the aspects that the Policy must contain with respect to the Executive Directors.

### **5.2.1. Annual fixed remuneration**

Executive Directors will be entitled to receive fixed remuneration due to the higher degree of dedication and responsibility involved in the performance of their functions, which will have to be competitive in relation to the usual standards in the sector for the levels of responsibility in question.

The Executive Chairperson will receive the amount of 1,375,000 euros as annual gross fixed remuneration in 2020. Meanwhile, the Executive Vice-Chairperson will receive the amount of 738,000 euros as annual gross fixed remuneration in 2020.

These amounts will remain fixed unless the Board of Directors resolves to update them. In this regard, the Board of Directors will be able to revise, at the proposal of the Appointments and Remuneration Committee, the amounts corresponding to the fixed remuneration of Executive Directors according to their performance, the market remuneration information for comparable companies at a global level with a remuneration level between the mean and the 75% percentile and the results of the Undertaking. This update will be recorded in the Annual Report on Remuneration of Directors that the Board of Directors makes available

to shareholders annually when announcing the General Meeting of Shareholders for an advisory vote and that is available to shareholders on the Company website.

### **5.2.2. Annual variable remuneration linked to economic targets and annual variable remuneration linked to specific achievements**

The fundamental benchmark for setting the variable remuneration of Executive Directors is achievement of the economic targets established in the annual budget, as well as the assessment of the individual professional performance of each one, as determined by the Appointments and Remuneration Committee with the final approval of por the Board of Directors.

The amount of reference for the annual variable remuneration corresponding to achievement of 100% of the targets established, is three times the fixed salary.

In order to assess achievement of the annual economic targets, account is taken of EBITDA, pre-tax profit and level of debt, as well as other economic objectives established at the start of the year in line with the strategy of the Company. In addition to the generation of economic value, targets that contribute to the implementation of a business model that promotes balance and sustainable growth will be considered.

The annual assessment of the performance of Executive Directors also includes specific sustainability targets and metrics. Variable remuneration includes the safeguards necessary to ensure that such remuneration bears a relation to the professional performance of beneficiaries and is not simply derived from the general evolution of stock markets or the Company's sector of activity.

The Board of Directors may modify the targets established for each financial year so that they reflect the strategic priorities of the Undertaking and ensure that incentives are in line with value creation and shareholder interests.

The settlement of annual variable remuneration will be carried out using the accrual method, after the Board of Directors has drawn up the Annual Accounts and the specific amount has been established acting on a proposal of the Appointments and Remuneration Committee.

Within three (3) years following the date on which the payments to be returned were made, ACCIONA may claim from Directors: (i) the refund of the amounts paid when they were calculated using data that was subsequently shown to be manifestly inaccurate, and (ii) the refund of the amounts paid, and/or not to pay amounts owed, in those cases in which a Director has committed a serious breach of the duties of diligence or loyalty according to which he/she must perform his/her duties in ACCIONA, or due to any other serious and culpable breach of the obligations that the Executive Directors have assumed by virtue of the contracts entered into with ACCIONA for the discharge of their executive functions.

In the event of cessation of the contractual relationship prior to the end of the vesting period of the annual variable remuneration for reasons not attributable to the Executive Director, he/she will be entitled to receive the proportional part corresponding to the effective period in which he/she provided services in the financial year in which termination takes place.



The annual variable remuneration will be settled either in cash at the time of payment or on a deferred basis via an extraordinary contribution to a Savings Plan (as defined in section 5.2.4 of this document), as chosen by each Executive Director.

In addition to the above, the Board of Directors, acting on a proposal from the Appointments and Remuneration Committee, may approve additional variable incentives linked to the completion of specific projects and/or strategic milestones, the achievement of which may have a relevant impact on the strategy and results of ACCIONA.

These incentives, if applicable, will be recorded in the Annual Report on the Remuneration of Directors that the Board of Directors makes available to shareholders annually when announcing the General Meeting of Shareholders for an advisory vote and that is available to shareholders on the Company website.

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

Executive Directors may be beneficiaries of long-term remuneration systems linked to the creation of value and that take the form of cash payments, delivery of shares or share options and/or by extraordinary contributions to the Savings Plan, as well as any other system of remuneration that is linked to share value or the creation of value for shareholders in the long term.

The decision to grant remuneration systems consisting of the delivery of shares or share options, as well as any other system of remuneration linked to the value of ACCIONA shares by law and the Articles of Association corresponds to the General Meeting, acting on a proposal of the Board of Directors, following a report from the Appointments and Remuneration Committee.

The application of any of these systems of remuneration to Executive Directors is expressly envisaged in article 31.4 of the Articles of Association of Acciona and in article 55bis section 4 of the Board of Directors Regulations.

The long-term remuneration systems for Executive Directors will have to contain the following characteristics:

1. The plans will cover a minimum period of three years.
2. The metrics to be used and the targets to be met will be defined by the Board of Directors, acting on a proposal from the Appointments and Remuneration Committee, ensuring in any event that they bear relation to the creation of value and the professional performance of the beneficiaries and are not simply derived from the general evolution of the stock markets or the sector of activity of the Undertaking.

The Board of Directors, using its discretion, may include metrics that measure the creation of value directly and/or indirectly. The following indicators may be used, among others:

- Total Shareholder Return (and the corresponding rate) for the period of reference, as an indicator to measure value creation for the shareholder;

- Net Debt/EBITDA ratio on a consolidated basis at closing of the last financial year of the period of reference;
- Ordinary pre-tax profits in the period of reference;
- Net profit per share in the period of reference;
- Comparison of estimates of the future share value of ACCIONA and the recommendations of at least four analysts who carry out intensive share monitoring in December of the year prior to the start of the period of reference and in January of the year following the end of the period of reference; and,
- Comparison of the evolution of the ACCIONA share price and that of the IBEX-35 between the first and last financial years of the period of reference.

The Board of Directors, after considering the recommendation of the Appointments and Remuneration Committee, with regard to the metric or metrics agreed, will define, at least, the following:

- The minimum level below which it will be considered that nothing has been achieved; and,
  - In the event there are several metrics, the weighting attributed to each one in the quantification of the degree of achievement attained in each period of reference.
3. The plans may be paid in cash, in shares, share options or remuneration rights linked to the value of the same and/or extraordinary contributions to the Savings Plan, provided the targets established to that end are attained.
  4. The long-term remuneration systems will include the safeguards necessary to avoid the assumption of excessive risks and reward unfavourable results. Specifically, at least 20% of the long-term incentive that Executive Directors are entitled to receive will be subject to a deferral period of one (1) year, being paid after the drawing up of the consolidated Annual Accounts of Acciona and its group corresponding to the financial year following the last calculation period for the vesting of the remuneration in relation to which an unqualified audit report is issued, provided that, in the judgement of the Board of Directors, acting on a proposal from the Appointments and Remuneration Committee, none of the *malus* scenarios indicated in the following paragraph exists.

In addition, within three (3) years following each date on which an incentive is paid (including payment of the part of the incentive paid on a deferred basis), ACCIONA will be entitled to claim from the Executive Directors the clawback of all or part of the part of incentive paid to the Executive Director if, within such period of three (3) years, in the judgement of the Board of Directors, acting on a proposal from the Appointments and Remuneration Committee, any of the following *malus* scenarios exists: (i) the Executive Director commits a serious breach of the duties of diligence or loyalty according to which he/she must perform his/her duties in ACCIONA, or due to any other serious and culpable breach of the obligations that the Executive Directors have assumed by virtue of the contracts entered into with ACCIONA for the discharge of their executive functions, (ii) it is verified that the Executive Director has received the incentive under the plan on the basis of data that are subsequently shown to be manifestly inaccurate, or (iii) the Executive Director breaches any post-contractual non-compete undertaking subscribed

or assumed in relation to ACCIONA.

5. In the case of systems of remuneration consisting of the delivery of shares, under no circumstances will the number of shares delivered exceed the maximum number of shares approved by the General Meeting.

The cost of the payment on account in the share-linked remuneration systems will not be charged to the beneficiaries, with the company assuming the tax cost of such payment in terms of personal taxation of the beneficiaries, with the limits established by legislation.

#### **5.2.4. Savings Plan**

The Company has established a Savings Plan linked to reaching a certain age, permanent disability, whether total, absolute or severe, and death, exclusively for Executive Directors and designed to supplement the public Social Security benefits, in the terms and conditions established in said plan.

The contributions in favour of the Executive Directors will be for an amount equivalent to 100% of the fixed salary, although the Board of Directors, acting on a proposal from the Appointments and Remuneration Committee, may modify these contributions in order to adjust them to the evolution of the business and the market.

Ordinary contributions may be made to the Savings Plan, the amount of which will be approved by the Board of Directors, acting on a proposal from the Appointments and Remuneration Committee, at any time during the contracts of the Executive Directors; and extraordinary contributions charged to their respective annual variable remuneration, at the discretion of the Executive Directors, pursuant to section 5.2.2 above.

In addition, the Board of Directors, acting on a proposal from the Appointments and Remuneration Committee, may approve extraordinary contributions to the Savings Plan for Executive Directors, providing the corresponding breakdown in the Annual Report on the Remuneration of Directors.

The Savings Plan established by ACCIONA envisages status as beneficiary of the Savings Plan will be lost (i) in the event any of the risk contingencies covered arises and, as a result, the benefit is paid out, (ii) upon reaching 65 years of age, or (iii) upon leaving the position of director, for reasons other than the foregoing.

Moreover, it envisages that the Directors will lose their accumulated economic rights in the Savings Plan and, as such, will not receive the derived benefit in the event of (a) resignation or waiver for voluntary reasons, or (b) removal due to a breach of duties or having caused damage to ACCIONA, with a final judicial judgment issued by the competent authority.

The Board of Directors, acting on a proposal from the Appointments and Remuneration Committee, may approve the cancellation or early maturity of the Savings Plan, in full or in part, also recognising financial compensation for the Executive Directors in the event of cancellation, provided at that date they have not lost their accumulated economic rights. Said compensation will not exceed the funds accumulated in the Savings Plan that are

cancelled, with the corresponding breakdown being included in the Annual Report on the Remuneration of Directors.

#### **5.2.5. Other remuneration-in-kind**

In addition to the remuneration items indicated above, the Executive Directors receive certain remuneration-in-kind, consisting of the following: life insurance, company vehicle and health insurance, depending on the Company benefits policy at any given time.

Executive Directors will be entitled to be reimbursed for any reasonable expenses (travel, transport, per diem, mobile phone, representation or any other kind) incurred while performing services for the Company, provided they are duly justified.

The Board, acting on a proposal from the Appointments and Remuneration Committee, may approve a modification of this remuneration.

#### **5.2.6. Main contract conditions**

Executive Directors provide their services in the performance of their executive functions by virtue of indefinite commercial contracts. Article 31.1 of the ACCIONA Articles of Association stipulates that directors are appointed for three years, and may be re-elected on one or more occasions.

The Board of Directors Regulations establish, among other things, that Executive Directors will offer to resign from the Board of Directors and, if the Board sees fit, may formalise the resignation when they cease to hold the executive positions as a result of which they were appointed as directors.

No indemnification for early termination of the executive functions of directors is established and neither are there hiring premiums, loyalty clauses or notice periods.

The provision of services by the Executive Directors is on an exclusive basis and with full dedication, notwithstanding the possibility of holding positions in family firms, whose activity does not compete with that of the Acciona Group or institutional representative positions on not-for-profit entities.

During an additional period of one year as of termination of the contract entered into with Company, the Executive Directors will refrain from:

- a. Providing services, directly or indirectly, to any person, business or company (whether as member, manager, employee, consultant, investor, provider or in any other capacity) that competes with the business of the Company or of the Acciona Group, without the express authorisation of the Company, which will not be refused unreasonably;
- b. Participating, directly or indirectly, in the capital of any company or entity that competes with the business of the Company or of the Acciona Group.

This prohibition will not be understood to have been contravened where the participation is not significant. To that end, a participation is considered not to be

significant when it is an investment that does not, directly or indirectly, entail management functions or significant influence in the competitor Company.

- c. Employing, or attempting to employ any member (of staff or) of the management team of the Company or of any company belonging to the Acciona Group or persuading them to resign from their post, as well as persuading or trying to persuade any agent, client, supplier or collaborator of the Company or of the Acciona Group to terminate its relationship with them.

The contracts signed with the Executive Directors exclude any indemnification linked to the post-contractual non-compete prohibition during a term of one year assumed by the Executive Directors.

## **6. GOVERNANCE**

### **6.1. Review and approval of the Policy**

The Remuneration Policy of the Board of Directors of ACCIONA will be analysed and reviewed periodically by the Appointments and Remuneration Committee, which will send proposed modifications to the Board of Directors as it sees fit depending on the evolution of the Company and the market, as well as any adaptations that are required for complying with the regulatory provisions in force and the good governance rules.

### **6.2. Supervision and application**

The Board of Directors of ACCIONA is responsible for establishing a system of control and oversight of the specific requirements of the Remuneration Policy applicable to the members of the Board of Directors which guarantees compliance with an effective application of the rules established in this Policy.

## **7. APPROVAL AND ENTRY INTO FORCE**

The Remuneration Policy for Directors de ACCIONA will be approved, if applicable, by the General Meeting of Shareholders for financial years 2021, 2022 and 2023.

Any modification or replacement of the Policy during the 2021 to 2023 three-year period will require the prior approval of the General Meeting of Shareholders as established in the legislation in force. In the event there are no modifications to the Policy during that term, a new Policy will be submitted for approval at the 2023 General Meeting.

In any event, any remuneration received by Directors will be in line with the Remuneration Policy for Directors in force at any given time, except for the remuneration expressly approved by the General Meeting of Shareholders.

Application of this Policy will be subject, in any event, to those modifications that, in accordance with the legislation in force at any given time or the interpretation of the same by the Company, ACCIONA sees fit to include.