

IDENTIFICATION DETAILS OF THE ISSUER

End of Reporting Period: 31/12/2019

Corporate Tax Number (CIF): A95363859

Registered Name:

SOLARPACK CORPORACION TECNOLOGICA, S.A.

Registered Address:

AVENIDA DE ALGORTA, 16-3º (GETXO) VIZCAYA

A. THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT YEAR

A.1. Explain the current directors' remuneration policy for the current year. Insofar as it is relevant, certain information may be included by reference to the remuneration policy approved by the General Shareholders' Meeting, provided that its inclusion is clear, specific and concrete.

A description must be given of the specific decisions for the current financial year, both regarding directors' remuneration for their status as such and for the performance of executive duties, which the Board has carried out in accordance with what is set out in the contracts signed with the executive directors and with the remuneration policy approved by the general meeting.

In any case, the following aspects should be reported as a minimum:

- Description of the company's procedures and bodies involved in determining and approving the remuneration policy and its conditions.
- State and, where appropriate, explain whether comparable companies have been taken into account in establishing the company's remuneration policy.
- Information on whether any external advisor has participated and, if so, the identity of the advisor.

In any organisation, the remuneration policy is considered a key element in value creation. This is also how the company understands the remuneration of the members of the Board of Directors and, therefore, the search for the creation of value is the principle behind Article 42 of the Articles of Association, which regulates the remuneration of said members: "ARTICLE 42. Remuneration of Directors. 1. Director remuneration, by reason of their position, shall be paid in one fixed annual instalment determined by the General Meeting, which shall be distributed by the Board of Directors in the manner in which it sees fit. Such distribution should take into account the position of each director, the duties and responsibilities assigned to them by the Board and their position on different Committees, which may give rise to different remuneration for each director. Likewise, the Board is also responsible for establishing the frequency and form of payment, which may include the insurance and pension systems in effect at any given time.

2. The amount of the annual instalment for the Board of Directors shall be that decided by the General Meeting, which shall remain in effect unless amended by the General Meeting, although the Board of Directors may reduce this amount in the financial periods in which such reduction is deemed convenient. 3. The remuneration referred to in this article shall be compatible and independent from the payment of any fees or wages that may be owned by the Company in return for the provision of services or due to an employment relationship, as the case may be, originating from a contractual relationship different from that arising from the position of Director. Any such payments shall be subject to the applicable legal system. 4. In addition, and notwithstanding the foregoing, when a director is assigned executive duties a contract shall be required between this director and the Company, in accordance with the applicable legal provisions. This contract shall detail all areas for which remuneration may be obtained for performing executive duties, including, where appropriate, any compensation for early termination of said duties and the amounts payable by the Company for insurance premiums or contributions to savings systems. Contracts for executive directors must be pre-approved by the Board of Directors with a favourable vote from two thirds of the Board members. In addition, said contracts must comply with the remuneration policy approved by the General Shareholders' Meeting. The Director in question shall refrain from participating in such deliberations and from voting on the matter. The contract shall detail all areas for which remuneration may be obtained for performing executive duties. Directors shall receive no remuneration for performing executive duties if the amounts or areas of these duties are not provided for in the corresponding contract. 5. Director remuneration shall conform to the remuneration policy approved by the General Meeting and, when applicable, to the specific resolutions passed by the General Meeting outside of said policy with regard to director remuneration. 6. In addition, the Company shall take out civil liability insurance for its Directors under the usual terms and conditions and in proportion to the specific circumstances of the Company."

The current remuneration policy was approved in November 2018 by the General Shareholders' Meeting in the context of the IPO. This approval was given, unanimously, on the proposal of the Board of Directors at a Shareholders' Meeting with all shares in attendance. The foregoing is understood without prejudice to the procedures and bodies of the Company that must be involved and followed in the future, in accordance with the provisions of the Articles of Association, the Regulations of the Board of Directors and applicable corporate legislation. For the current fiscal year, the partial modification of the remuneration policy is expected to be submitted to the General Shareholders' Meeting for approval in order to modify the fixed remuneration of the executive directors, to increase the variable remuneration of the executive directors up to a maximum of 75% of the fixed remuneration and to remove the possibility that the executive directors receive other items of remuneration such as per diems for directors or remuneration for the position of chairman. Likewise, the remuneration policy will include the possibility of the Board of Directors establishing remuneration both in consideration of singular achievements that have contributed decisively to the Company's revenue and in consideration of the financial losses in their annual remuneration incurred by those persons who assume the position of executive director of the Company, abandoning the executive or managerial positions that they had previously been holding in other companies outside the Group and up to the time they assumed the position of executive director of the Company. Similarly, the contracts with the executive directors approved by the Board of Directors may contain indemnities, in normal market terms, for termination or periods of post-contractual non-competition.

When establishing the remuneration policy, they have been considered comparable in the market. In order to choose comparable companies to establish the remuneration policy, both companies from the same sector of activity and size as the Company and companies from the Company's environment have been compared.

No outsiders have been involved.

- The relative importance of variable remuneration items compared to the fixed remuneration items (remuneration mix) and what criteria and objectives have been taken into account in determining them and to guarantee an appropriate balance between the fixed and variable components of remuneration. In particular, state the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to adapt it to the company's long-term goals, values and interests. This may include, where appropriate, a reference to measures established to ensure that the company's long-term results are factored into the remuneration policy, measures taken in relation to categories of employees that perform professional activities with material repercussions on the entity's risk profile and measures aimed at preventing conflicts of interest, where applicable.

Moreover, state whether the company has established any period of accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, a period of deferral in the payment of amounts or delivery of financial instruments already accrued and consolidated, or whether any clause has been agreed to reduce deferred remuneration or oblige the director to return remuneration received, when such remuneration has been based on data which has subsequently been clearly proven to be inaccurate.

The variable remuneration of the executive directors consists of an annual variable remuneration that can amount to up to 75% of the total fixed remuneration and a multiannual remuneration for the years 2018-2020. The variable annual remuneration includes measurable performance criteria relating to financial and business objectives (50% of the total) such as achieving a certain EBITDA, achieving a certain volume of revenue in the "DEVCON" segment, generating new "backlog" or generating free cash flow up to certain thresholds in the "POWGEN" area and non-financial objectives such as adapting compliance with the ICFRS or launching new business initiatives. Likewise, variable remuneration includes personal objectives (25% of the total variable) linked to leadership actions related to the position and management objectives (25% of the total variable) linked to management improvement actions related to the position, such as the adaptation of risk management models, drawing up a long-term business plan for the group, preparing a succession plan or proactively presenting inorganic growth opportunities.

In the case of financial and business objectives, they are calculated proportionally as long as the agreed minimum objectives have been achieved. In some cases where non-financial objectives (whether personal, management or linked to corporate objectives) are included, their achievement is evaluated in a binary manner.

The multi-year remuneration plan (2018-2020) includes objectives linked to the EBITDA generated by the development and construction department, the cash returns generated by the POWGEN division and the generation of new "backlog" projects on finalising the remuneration programme. Additionally, the Company's multi-year incentive plan -in which the executive directors, senior management and key personnel participate- contemplates, as a corrective factor of the definitive amount, a coefficient equal to the ratio of the arithmetic mean of the Company's share price during the sessions from 1 October 2020 to 31 December 2020 (both inclusive) in terms of the Company's share price at the time of admission to trading.

In this way, variable remuneration, in addition to being linked to predetermined and measurable performance criteria, promotes the sustainability of the Company (including non-financial criteria that create value in the long term) and it is established based on a balance between the fulfilment of short, medium and long-term objectives, which allow performance to be rewarded for continued performance over a period of at least 3 years.

Finally, the variable remuneration plan for executive directors includes a remuneration return clause in the sense set out in this section.

- Amount and nature of the fixed components that directors are expected to accrue during the year for their status as such.

In accordance with the Company's remuneration policy, each and every one of the directors (in their capacity as such) will receive a fixed annual allowance of a maximum of 30,000 euros. For the financial year 2020, the partial modification of the remuneration plan for the periods 2018-2020 will be proposed at the General Shareholders' Meeting, by virtue of which this allocation for attendance at the Boards will not apply to the executive directors. This fixed allocation may be reduced in proportion to the number of Board meetings not attended, taking into consideration the total number of meetings held during the year. In addition to the above, due to their special dedication, the following persons receive the following additional amounts: (i) the chairperson of the Board of Directors, 87,600 euros, except in the case of being an executive director; (ii) the chairpersons of the Audit Committee and of the Appointments and Remuneration Committee, 7,500 euros, each; and (iii) the other members of the Audit Committee and of the Appointments and Remuneration Committee, 2,500 euros, each.

- Amount and nature of the fixed components that will be accrued in the year for executive directors' performance of senior management duties.

With effect from 15 February 2020, the total fixed annual remuneration for executive directors will be 270,000 euros. Until 15 February 2020, the fixed remuneration amount for financial year 2019 is maintained. This change is included in the partial amendment of the annual remuneration plan that will be submitted for approval at the next General Shareholders' Meeting of the Company.

- The amount and nature of any component of remuneration in kind that will be accrued in the financial year including, but not limited to, the insurance premiums paid for the director.

Not applicable

- Amount and nature of the variable components, differentiating between those established in the short and long term. Financial and non-financial parameters, the latter including social, environmental and climate change parameters, selected to determine the variable remuneration in the current year, an explanation of the extent to which these parameters relate to the performance of both the director and the entity and to its risk profile, and the methodology, period required and techniques envisaged to determine, at the end of the year, the degree of compliance with the parameters used to design the variable remuneration.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters set, and whether there is any maximum monetary amount in absolute terms.

The variable remuneration of the executive directors, during the current financial year, after approval by the General Shareholders' Meeting of the partial modification of the current remuneration policy, consists of an annual variable remuneration that can amount to up to 75% of the total fixed remuneration and a multiannual remuneration for the years 2018-2020. The variable annual remuneration includes measurable performance criteria relating to financial and business objectives (50% of the total) such as achieving a certain EBITDA in the "POWGEN" and "Services" areas (accounting to 20% of this section), achieving a certain volume of income in the "DEVCON" segment (accounting to 20% of the total of this section), the generation of new "backlog" (accounting to 20%), the generation of free cash flow up to certain thresholds in the "POWGEN" area (accounting to 15%), ensuring an adequate degree of compliance with the ICFRS (accounting to 12.5%) and the launch of new electricity marketing products (accounting to 12.5% of the total of this section). Likewise, variable remuneration includes personal objectives (25% of the total variable) linked to leadership actions related to the position and management objectives (25% of the total variable) linked to management improvement actions related to the position, such as the adaptation of risk management models, drawing up a long-term business plan for the group, preparing a succession plan or proactively presenting inorganic growth opportunities.

In the case of financial and business objectives, they are calculated proportionally as long as the agreed minimum objectives have been achieved. Where non-financial objectives (whether personal, management or linked to corporate objectives) are included, their achievement is evaluated in a binary manner. The multi-year remuneration plan (2018-2020) includes objectives linked to the EBITDA generated by the development and construction department, the cash returns generated by the POWGEN division and the generation of new "backlog" projects on finalising the remuneration programme. Additionally, the Company's multi-year incentive plan -in which the executive directors, senior management and key personnel participate- contemplates, as a corrective factor of the definitive amount, a coefficient equal to the ratio of the arithmetic mean of the Company's share price during the sessions from 1 October 2020 to 31 December 2020 (both inclusive) in terms of the Company's share price at the time of admission to trading.

In the event that the level of compliance was 100%, the CEO would receive, as remuneration for the multi-year variable, 350% of the average annual fixed remuneration during the financial years 2018 to 2020. In the case of the current vice-chairman, with executive functions since 15 February 2020, the same multi-year remuneration plan will be applied to him, albeit pro rata to the period in which he has carried out executive functions during the validity of said plan.

In light of the foregoing, variable remuneration, in addition to being linked to predetermined and measurable performance criteria, promotes the sustainability of the Company (including non-financial criteria that create value in the long term) and it is established based on a balance between the fulfilment of short, medium and long-term objectives, which allow performance to be rewarded for continued performance over a period of at least 3 years.

- Main features of the long-term savings systems. Among other information, the following must be stated: any contingencies covered by the system, if it is a defined contribution or benefit system, the annual contribution to be made to defined contribution systems, the benefit to which the beneficiaries are entitled regarding defined benefit systems, the conditions of consolidation of the economic rights of the directors and their compatibility with any type of payment or compensation for dissolution or early termination, or deriving from the termination of the contractual relationship, under the terms envisaged, between the company and the director.

State whether the accrual or consolidation of any of the long-term savings schemes is linked to the achievement of certain targets or parameters related to the short and long-term performance of the director.

Not applicable

- Any type of payment or compensation for dissolution or early termination or that deriving from the termination of the contractual relationship under the terms established between the company and the director, whether the termination is at the will of the company or of the director, as well as any type of agreed pacts, such as exclusivity, post-contractual non-compete and long-service or loyalty clauses, which give the director the right to any type of payment.

Not applicable

- State the conditions that must be met in the contracts of those performing senior management duties as executive directors. Among other information, indicate the term, limits on the sum of severance payments, long-service clauses, advance notice deadlines and payment in substitution of the advance notice, as well as any other clauses relating to contract premiums, compensation or redundancy payments for early termination or termination of the contractual relationship between the company and the executive director. Include the non-compete, exclusivity, long-service or loyalty agreements and post-contractual non-compete clauses, among other items, unless they have been explained in the previous section.

The contracts of the executive directors do not provide for a fixed term or a period of notice regarding their termination, and the executive directors may be dismissed in accordance with the provisions of the Company's Articles of Association, the Board Regulations and applicable corporate legislation.

In the event of contract termination due to withdrawal from executive duties or their dismissal or separation, executive directors shall be entitled to compensation equal to the sum of the annual fixed remuneration, plus the annual on-target variable remuneration for one year, corresponding to the calendar year prior to that in which the separation or dismissal took place. Similarly, executive directors shall receive compensation equal to the annual fixed remuneration for the calendar year prior to that in which the separation or termination took place by way of compensation for the one-year non-competition obligation.

Furthermore, the remuneration policy will include the possibility of the Board of Directors establishing remuneration both in consideration of singular achievements that have contributed decisively to the Company's revenue and in consideration of the financial losses in their annual remuneration incurred by those persons who assume the position of executive director of the Company, abandoning the executive or managerial positions that they had previously been holding in other companies outside the Group and up to the time they assumed the position of executive director of the Company. Similarly, the contracts with the executive directors approved by the Board of Directors may contain indemnities, in normal market terms, for termination or periods of post-contractual non-competition.

- The nature and estimated amount of any other supplementary remuneration that will be accrued by the directors in the current financial year in consideration for services rendered other than those inherent to their position.

Not applicable

- Other remuneration items such as those deriving, where applicable, from the company granting the director advances, loans and guarantees and other remuneration.

Not applicable

- The nature and estimated amount of any supplementary remuneration envisaged and not included in the previous sections, whether paid by the entity or another group entity, which will be accrued by directors in the current financial year.

Not applicable

A.2. Explain any significant change in the remuneration policy applicable to the current year arising from:

- A new policy or a modification of the policy already approved by the Board.
- Significant changes in the specific decisions established by the Board for the current financial year of the remuneration policy in force with respect to those applied the previous year.
- Any proposals that the Board of Directors has agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted and which are proposed for applicability in the current financial year.

The remuneration policy agreed by the General Shareholders' Meeting on 9 November 2018 for the financial years 2018 to 2020 is applicable. It will be proposed to the Ordinary General Shareholders' Meeting to be held in the current financial year that the aforementioned policy be partially amended for the purposes of modifying the fixed remuneration of the executive directors up to the amount of 270,000 euros, increasing the amount of the variable remuneration up to a maximum of 75% of the fixed remuneration and excluding, with regard to the executive directors, the receipt of any other type of allowance for attendance at meetings or for the exercising of the position of chairperson of the Board.

Furthermore, the remuneration policy will include the possibility of the Board of Directors establishing remuneration both in consideration of singular achievements that have contributed decisively to the Company's revenue and in consideration of the financial losses in their annual remuneration incurred by those persons who assume the position of executive director of the Company, abandoning the executive or managerial positions that they had previously been holding in other companies outside the Group and up to the time they assumed the position of executive director of the Company. Similarly, the contracts with the executive directors approved by the Board of Directors may contain indemnities, in normal market terms, for termination or periods of post-contractual non-competition.

A.3. Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

<https://www.solarpack.es/accionistas-e-inversores/gobierno-corporativo/reglamentos/>

A.4. Considering the data provided in section B.4, explain how the vote of the shareholders was taken into account at the general meeting at which the annual remuneration report for the previous year was put to a vote on an advisory basis.

Insofar as the 2018 annual remuneration report has been approved, in an advisory capacity, with 98.94% of the votes in favour, 0.96% against and 0.1% abstentions, no circumstances have been considered in relation to this.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE PAST YEAR

- B.1.** Explain the process followed to apply the remuneration policy and determine the individual remuneration set out in section C of this report. This information shall include the role played by the Remuneration Committee, the decisions taken by the board of directors and, where applicable, the identity and role of the external advisors whose services have been used in the process of applying the remuneration policy during the previous financial year.

The Appointments and Remuneration Committee proposes the individual remuneration of the executive directors and the other basic conditions of their contracts as well as the amount of the annual remuneration of the other directors for approval by the Board of Directors. The remuneration proposal is made in accordance with the remuneration policy approved by the General Meeting for the period 2018-2020.

For the purposes of proposing the fixed allocation of directors, their attendance at the various board meetings held during the year is taken into account.

The variable remuneration of the CEO is determined in accordance with the indicators and weightings set by the Board of Directors, following a report from the Appointments and Remuneration Committee.

No external advisors have been used for the application of the remuneration policy in the closed financial year.

- B.2.** Explain the different actions taken by the company in relation to the remuneration system and how they have helped to reduce exposure to excessive risks and to adapt it to the company's long-term goals, values and interests, including a reference to measures established to ensure that the company's long-term results are factored into the remuneration accrued and a balance is achieved between the fixed and variable remuneration components, what measures have been taken in relation to categories of employees that perform professional activities with material repercussions on the entity's risk profile and what measures have been taken aimed at preventing conflicts of interest, where applicable.

The CEO and senior management of the Company are participating in a multi-year remuneration programme for the years 2018 to 2020, which has been described in section A. Through the implementation of this plan, the variable remuneration of the executive director and of the Company's key professionals is linked to the achievement of the objectives of the Company's long-term business plan. It is also a tool for retaining talent, since the perception of this variable, as long as the objectives set are met, is conditioned by the fact that the manager continues to maintain his/her position in the Company or has assumed greater responsibilities during the period in question. In order to avoid potential conflicts, the Appointments and Remuneration Committee will annually review the performance evaluations of the executive directors as well as the evaluations of the senior managers carried out periodically by the CEO, informing the Board of Directors about the evaluations and the suitability of the senior managers for their positions. The Appointments and Remuneration Committee is also responsible for ensuring compliance with the remuneration policy, periodically reviewing the remuneration policy for senior executives and proposing its amendment and updating to the Board of Directors, proposing the individual remuneration of executive directors and the other basic conditions of their contracts for approval by the Board of Directors, and reporting and submitting to the Board of Directors the proposals of the Chairperson of the Board or the CEO relating

to the remuneration structure of senior executives and the basic conditions of their contracts, following a report from the Committee, including any compensation or indemnity that may be established in the event of separation.

Finally, the variable remuneration plan for the CEO includes a remuneration return clause in the event that it has been paid based on inaccurate or erroneous data.

- B.3.** Explain how the remuneration accrued during the year complies with what is set out in the remuneration policy in force.

Also report on the relationship between the remuneration received by directors and the entity's profits or other short- and long-term means of gauging performance, by explaining, where appropriate, how changes in the company's performance may have affected variations in director remuneration, including that accrued but where payment has been deferred, and how they contribute to the short- and long-term profit and loss of the company.

The CEO was the only director with a variable remuneration component during the last financial year. In this sense, their variable remuneration consists of an annual variable remuneration and a multi-year variable remuneration for the years 2018 to 2020. Both variable remuneration schemes are largely linked to the achievement of a series of measurable objectives that have a direct impact on the Company's short- and long-term results.

Specifically, the variable remuneration of the CEO, sole executive director at 31 December 2019, consists of an annual variable remuneration that can amount to up to 40% of the total fixed remuneration and a multiannual remuneration for the years 2018-2020. The variable annual remuneration includes measurable performance criteria relating to financial and business objectives such as achieving a given EBITDA, the construction of the existing backlog or the generation of a new backlog, as well as other non-financial objectives linked to personal or management objectives corresponding to the executive activity.

The multi-year remuneration plan (2018-2020) includes objectives linked to the EBITDA generated by the development and construction department, the cash returns generated by the POWGEN division and the generation of new "backlog" projects on finalising the remuneration programme. Additionally, the Company's multi-year incentive plan -in which the executive directors, senior management and key personnel participate- contemplates, as a corrective factor of the definitive amount, a coefficient equal to the ratio of the arithmetic mean of the Company's share price during the sessions from 1 October 2020 to 31 December 2020 (both inclusive) in terms of the Company's share price at the time of admission to trading. In this way, variable remuneration, in addition to being linked to predetermined and measurable performance criteria, is established based on a balance between the fulfilment of short, medium and long-term objectives, which allow performance to be rewarded for continued performance over a period of at least 3 years.

B.4. Report on the outcome of the advisory vote by the general meeting regarding the annual report on remuneration from the previous year, indicating the number of votes against that were cast, if any

| | Number | % of the total |
|-----------------|------------|-----------------|
| Votes cast | 28,711,030 | 86.34 |
| | Number | % of votes cast |
| Votes against | 274,956 | 0.96 |
| Votes in favour | 28,406,429 | 98.94 |
| Abstentions | 29,645 | 0.10 |

B.5. Explain how the fixed components accrued during the year by directors for their status as such were determined and how they varied with regard to the previous year.

During the 2019 financial year, the fixed components in favour of all directors for their attendance at board meetings amounted to a maximum of 30,000 euros per director. This amount may be reduced in proportion to the number of meetings that a director did not attend out of the total number of meetings held during the year. In accordance with the remuneration policy, this concept amounted to 22,000 euros during the 2018 financial year. The remuneration of the chairperson of the Board of Directors amounted to 87,600 euros, the same as in 2018. The CEO received 188,900 euros as fixed remuneration in his capacity as such, which entails an increase of 1.2% on 2018.

B.6. Explain how the salaries accrued during the previous year by each of the executive directors for the performance of their managerial roles were determined and how they varied with regard to the previous year.

The CEO received 30,000 euros for his attendance at the meetings. This concept, which is the same for all the directors, amounted to 22,000 euros in 2018 (until November 2018, being, proportionally, 30,000 euros a year from that date onwards). Furthermore, 188,900 euros were accrued under the concept of fixed remuneration for holding the position of director, up 1.2% on the previous year. Finally, the variable annual remuneration amounts to up to 40% of the fixed remuneration. During the financial year 2019, 81.96% of the total objectives set for the accrual of this remuneration were reached, resulting in a total of 61,929 euros (compared to 60,677.5 euros accrued for the same concept in 2018).

B.7. Explain the nature and main features of the variable components of the remuneration systems accrued in the previous financial year.

In particular:

- Identify each of the remuneration schemes that determined the different variable remunerations accrued by each of the directors during the previous year, including information on their scope, date of approval, date of implementation, accrual periods and validity, criteria used to assess performance and how this has impacted on the determining the variable amount accrued, as well as the measurement criteria used and the period required to be able to adequately measure all of the conditions and criteria stipulated.

In the case of schemes involving share options or other financial instruments, the scheme's general features shall include information on the conditions for both acquiring unconditional ownership (consolidation) and for exercising these options or financial instruments, including the price and term for exercising them.

- All directors, and their status (Executive Directors, External Proprietary Directors, Independent External Directors or other External Directors), who are beneficiaries of remuneration systems or schemes involving variable remuneration.
- Where applicable, report on the established accrual periods or payment deferment periods that have been applied and/or the withholding/non-disposal periods of shares or other financial instruments, should these exist.

Explain the short-term variable components of the remuneration systems:

During the financial year 2019, the CEO's variable annual compensation (the only director with variable compensation during said year) amounted to a maximum percentage of 40% of his total fixed remuneration.

The calculation of variable remuneration during the 2019 financial year is based on the following predetermined criteria (some of which are of a non-financial nature):

A- 25% of the total, accruable depending on the achievement of personal objectives, linked to aptitudes and attitudes related to position such as showing leadership, promoting teamwork or refocusing delegation in the team.

B- 25% of the total, accruable in accordance with management objectives linked to the relationship with investors and to certain significant projects of the Company.

C- 50% of the total, refundable depending on the fulfilment of the following corporate business objectives:

(i) Objective 1: Reaching a certain level of EBITDA in the POWGEN and Services divisions. In this case, based on an objective EBITDA, the achievement of the target is calculated proportionally.

(ii) Objective 2: Achieving the completion of a certain number of projects to be built in 2019. In this case, based on an objective MWdc, the achievement of the target is calculated proportionally.

(iii) Objective 3: Generating new backlog measured in MWdc. In this case, based on an objective MWdc and new backlog, the achievement of the target is calculated proportionally.

(iv) Objective 4: Consolidating the implementation and use of various modules of the corporate BRP. Its achievement is determined in a binary manner.

Considering the foregoing, the achievement of section A would have been 88%, the achievement of section B would have been 67% and the achievement of section C would have been 86.24%, which means that 81.96% of the objectives set for the annual variable have been achieved.

Explain the long-term variable components of the remuneration systems:

As described above, the CEO is participating in a multi-year incentive plan, the main conditions of which for the accrual of this variable remuneration, depending on the Group's various business units, are the EBITDA obtained during the 2018-2020 financial year, the generation of cash and the increase in the Company's project portfolio, either in the form of backlogs or projects under construction. In this regard, the variable remuneration linked to the year-on-year plan is accrued over a three-year period, thus avoiding any possible negative effects that could be generated in the short term. The calculation of this remuneration will take place during the first quarter of 2021, once the final financial year included in the multi-year plan has ended.

Additionally, the Company's multi-year incentive plan -in which the executive directors, senior management and key personnel participate- contemplates, as a corrective factor of the definitive amount, a coefficient equal to the ratio of the arithmetic mean of the Company's share price during the sessions from 1 October 2020 to 31 December 2020 (both inclusive) in terms of the Company's share price at the time of admission to trading.

At 31 December 2019, there was no long-term variable remuneration plan for the remaining directors.

B.8. State whether certain variable components have been reduced or claimed back when, in the first case, payment has been consolidated and deferred or, in the second case, consolidated and paid, on the basis of data which has subsequently been proven to be manifestly inaccurate. Describe the amounts reduced or refunded by applying the clawback clauses, why they were executed, and the years to which they relate.

Not applicable

B.9. Explain the main features of the long-term savings systems whose sum or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefits, partially or wholly funded by the company, whether provided internally or externally, indicating the type of scheme, whether it is a defined contribution or defined benefit scheme, the contingencies it covers, the consolidation conditions of the financial rights to which Directors are entitled and their compatibility with any type of compensation for early dissolution or termination of the contractual relationship between the company and the Director.

Not applicable

B.10. Explain, where applicable, the compensation or any other type of payment arising from early termination, whether at the will of the company or of the director, or from the termination of the contract, under the terms provided therein, accrued and/or received by the directors in the previous financial year.

Not applicable

B.11. State whether there have been any significant changes in the contracts of those performing senior management duties as executive directors and, where applicable, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless they have already been explained in section A.1.

In 2019, there were no significant changes.

B.12. Explain any supplementary remuneration accrued by the directors in compensation for services rendered other than those inherent to their position.

Not applicable

B.13. State any remuneration arising from advances, loans and guarantees granted, indicating the interest rate, essential features and amounts potentially repaid, as well as the obligations undertaken on account thereof in relation to guarantees.

Not applicable

B.14. Set out the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the different salary components.

Not applicable

B.15. State the remuneration accrued by the director pursuant to payments made by the listed company to a third-party entity in which the director provides services, when said payments are intended to compensate such party's services at the company.

[Not applicable]

B.16. Explain any other remuneration items other than the ones above, regardless of their nature or the group entity that pays them, especially those classified as related-party transactions or if issuance distorts the true and fair view of the total remuneration accrued by the director.

[Not applicable]

C. DETAILED INFORMATION ON THE INDIVIDUAL REMUNERATION RELATING TO EACH OF THE DIRECTORS

| Name | Type | Accrual period: 2019 financial year |
|------------------------------------|---------------------------|-------------------------------------|
| MR JOSE GALÍNDEZ ZUBIRIA | Proprietary chairman | From 01/01/2019 to 31/12/2019 |
| MR PABLO BURGOS GALINDEZ | CEO | From 01/01/2019 to 31/12/2019 |
| MR IGNACIO ARTAZCOZ BARRENA | Independent vice-chairman | From 01/01/2019 to 31/12/2019 |
| MS INÉS ARELLANO GALÍNDEZ | Proprietary Director | From 01/01/2019 to 31/12/2019 |
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | Independent Director | From 01/01/2019 to 31/12/2019 |
| MS GINA DOMANIG | Independent Director | From 01/01/2019 to 31/12/2019 |
| MR RAFAEL CANALES ABAITUA | Proprietary Director | From 25/01/2019 to 31/12/2019 |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | Proprietary Director | From 01/01/2019 to 25/01/2019 |

C.1. Complete the following tables on the individual remuneration for each of the directors (including remuneration for performing executive duties) accrued during the year.

a) Remuneration from the company issuing this report:

i) Remuneration accrued in cash (in thousands of €)

| Name | Fixed remuneration | Attendance fees | Remuneration for membership on board committees | Salary | Short-term variable remuneration | Long-term variable remuneration | Severance payments | Other items | Total 2019 | Total 2018 |
|-----------------------------|--------------------|-----------------|---|--------|----------------------------------|---------------------------------|--------------------|-------------|------------|------------|
| MR JOSE GALÍNDEZ ZUBIRIA | 88 | 30 | | | | | | | 118 | 112 |
| MR PABLO BURGOS GALINDEZ | 189 | 30 | | | 62 | | | | 281 | 273 |
| MR IGNACIO ARTAZCOZ BARRENA | | 30 | 10 | | | | | | 40 | 10 |
| MS INÉS ARELLANO GALÍNDEZ | | 30 | 2 | | | | | | 32 | 10 |

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

| Name | Fixed remuneration | Attendance fees | Remuneration for membership on board committees | Salary | Short-term variable remuneration | Long-term variable remuneration | Severance payments | Other items | Total 2019 | Total 2018 |
|------------------------------------|--------------------|-----------------|---|--------|----------------------------------|---------------------------------|--------------------|-------------|------------|------------|
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | | 30 | 10 | | | | | | 40 | 10 |
| MS GINA DOMANIG | | 27 | | | | | | | 27 | 4 |
| MR RAFAEL CANALES ABAITUA | | 27 | 2 | | | | | | 29 | |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | | 3 | 1 | | | | | | 4 | 24 |

Remarks

On 25 January 2019, Mr Antonio Galíndez stepped down as a proprietary director and on the same date, Mr Rafael Canales was appointed, through co-option, as the new proprietary director. In the case of the CEO, it is noted that for accounting purposes an accounting provision of 943 thousand has been included in the Financial Statements in relation to the long-term multi-year plan. However, it should be noted that the accrual for this multi-year plan, with the final sum set, will occur on 31 December 2020, with the collection of the corresponding sum being enforceable on 31 March 2021.

ii) Table showing activity in share-based remuneration systems and gross profit from consolidated shares or financial instruments.

| Name | Scheme name | Financial instruments at beginning of 2019 t | | Financial Instruments granted during 2019 t | | Financial instruments consolidated during the year | | | | Mature instruments not exercised | Financial instruments at the end of 2019 t | |
|-----------------------------|-------------|--|--------------------------|---|--------------------------|--|---------------------------------------|--------------------------|---|----------------------------------|--|--------------------------|
| | | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent shares consolidated | Consolidated share price | Gross profit from consolidated shares or financial instruments (thousand €) | No. of instruments | No. of instruments | No. of equivalent shares |
| MR JOSE GALÍNDEZ ZUBIRIA | Scheme | | | | | | | 0.00 | | | | |
| MR PABLO BURGOS GALINDEZ | Scheme | | | | | | | 0.00 | | | | |
| MR IGNACIO ARTAZCOZ BARRENA | Scheme | | | | | | | 0.00 | | | | |

| Name | Scheme name | Financial instruments at beginning of 2019 t | | Financial Instruments granted during 2019 t | | Financial instruments consolidated during the year | | | | Mature instruments not exercised | Financial instruments at the end of 2019 t | | |
|------------------------------------|-------------|--|--------------------------|---|--------------------------|--|---------------------------------------|--------------------------|---|----------------------------------|--|--------------------|--------------------------|
| | | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent shares consolidated | Consolidated share price | Gross profit from consolidated shares or financial instruments (thousand €) | | No. of instruments | No. of instruments | No. of equivalent shares |
| MS INÉS ARELLANO GALÍNDEZ | Scheme | | | | | | | 0.00 | | | | | |
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | Scheme | | | | | | | 0.00 | | | | | |
| MS GINA DOMANIG | Scheme | | | | | | | 0.00 | | | | | |
| MR RAFAEL CANALES ABAITUA | Scheme | | | | | | | 0.00 | | | | | |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | Scheme | | | | | | | 0.00 | | | | | |

Remarks

iii) Long-term savings systems.

| Name | Remuneration for consolidation of rights in savings systems |
|-----------------------------|---|
| MR JOSE GALÍNDEZ ZUBIRIA | |
| MR PABLO BURGOS GALINDEZ | |
| MR IGNACIO ARTAZCOZ BARRENA | |

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

| Name | Remuneration for consolidation of rights in savings systems |
|------------------------------------|---|
| MS INÉS ARELLANO GALÍNDEZ | |
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | |
| MS GINA DOMANIG | |
| MR RAFAEL CANALES ABAITUA | |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | |

| Name | Company's contribution for the year (thousand €) | | | | Amount of accumulated funds (thousands of €) | | | |
|------------------------------------|---|------|---|------|---|------|---|------|
| | Savings systems with consolidated economic rights | | Savings systems with unconsolidated economic rights | | Savings systems with consolidated economic rights | | Savings systems with unconsolidated economic rights | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| MR JOSE GALÍNDEZ ZUBIRIA | | | | | | | | |
| MR PABLO BURGOS GALINDEZ | | | | | | | | |
| MR IGNACIO ARTAZCOZ BARRENA | | | | | | | | |
| MS INÉS ARELLANO GALÍNDEZ | | | | | | | | |
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | | | | | | | | |
| MS GINA DOMANIG | | | | | | | | |
| MR RAFAEL CANALES ABAITUA | | | | | | | | |

| Name | Company's contribution for the year (thousand €) | | | | Amount of accumulated funds (thousands of €) | | | |
|-----------------------------|---|------|---|------|---|------|---|------|
| | Savings systems with consolidated economic rights | | Savings systems with unconsolidated economic rights | | Savings systems with consolidated economic rights | | Savings systems with unconsolidated economic rights | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | | | | | | | | |

Remarks

[]

iv) Details of other items

| Name | Item | Remuneration Amount |
|------------------------------------|------|---------------------|
| MR JOSE GALÍNDEZ ZUBIRIA | Item | |
| MR PABLO BURGOS GALINDEZ | Item | |
| MR IGNACIO ARTAZCOZ BARRENA | Item | |
| MS INÉS ARELLANO GALÍNDEZ | Item | |
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | Item | |
| MS GINA DOMANIG | Item | |
| MR RAFAEL CANALES ABAITUA | Item | |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | Item | |

Remarks

b) Remuneration for the Company Directors for membership on the boards of other Group companies:

i) Remuneration accrued in cash (in thousands of €)

| Name | Fixed remuneration | Attendance fees | Remuneration for membership on board committees | Salary | Short-term variable remuneration | Long-term variable remuneration | Severance payments | Other items | Total 2019 | Total 2018 |
|------------------------------------|--------------------|-----------------|---|--------|----------------------------------|---------------------------------|--------------------|-------------|------------|------------|
| MR JOSE GALÍNDEZ ZUBIRIA | | | | | | | | | | |
| MR PABLO BURGOS GALINDEZ | | | | | | | | | | |
| MR IGNACIO ARTAZCOZ BARRENA | | | | | | | | | | |
| MS INÉS ARELLANO GALÍNDEZ | | | | | | | | | | |
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | | | | | | | | | | |
| MS GINA DOMANIG | | | | | | | | | | |
| MR RAFAEL CANALES ABAITUA | | | | | | | | | | |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | | | | | | | | | | |

Remarks

ii) Table showing activity in share-based remuneration systems and gross profit from consolidated shares or financial instruments.

| Name | Scheme name | Financial instruments at beginning of 2019 t | | Financial Instruments granted during 2019 t | | Financial instruments consolidated during the year | | | | Mature instruments not exercised | Financial instruments at the end of 2019 t | | |
|------------------------------------|-------------|--|--------------------------|---|--------------------------|--|---------------------------------------|--------------------------|---|----------------------------------|--|--------------------------|--|
| | | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent shares consolidated | Consolidated share price | Gross profit from consolidated shares or financial instruments (thousand €) | No. of instruments | No. of instruments | No. of equivalent shares | |
| MR JOSE GALÍNDEZ ZUBIRIA | Scheme | | | | | | | 0.00 | | | | | |
| MR PABLO BURGOS GALINDEZ | Scheme | | | | | | | 0.00 | | | | | |
| MR IGNACIO ARTAZCOZ BARRENA | Scheme | | | | | | | 0.00 | | | | | |
| MS INÉS ARELLANO GALÍNDEZ | Scheme | | | | | | | 0.00 | | | | | |
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | Scheme | | | | | | | 0.00 | | | | | |
| MS GINA DOMANIG | Scheme | | | | | | | 0.00 | | | | | |
| MR RAFAEL CANALES ABAITUA | Scheme | | | | | | | 0.00 | | | | | |

| Name | Scheme name | Financial instruments at beginning of 2019 t | | Financial Instruments granted during 2019 t | | Financial instruments consolidated during the year | | | | Mature instruments not exercised | Financial instruments at the end of 2019 t | | |
|-----------------------------|-------------|--|--------------------------|---|--------------------------|--|---------------------------------------|--------------------------|---|----------------------------------|--|--------------------------|--|
| | | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent shares consolidated | Consolidated share price | Gross profit from consolidated shares or financial instruments (thousand €) | No. of instruments | No. of instruments | No. of equivalent shares | |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | Scheme | | | | | | | 0.00 | | | | | |

Remarks

iii) Long-term savings systems.

| Name | Remuneration for consolidation of rights in savings systems |
|------------------------------------|---|
| MR JOSE GALÍNDEZ ZUBIRIA | |
| MR PABLO BURGOS GALINDEZ | |
| MR IGNACIO ARTAZCOZ BARRENA | |
| MS INÉS ARELLANO GALÍNDEZ | |
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | |
| MS GINA DOMANIG | |

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

| Name | Remuneration for consolidation of rights in savings systems |
|-----------------------------|---|
| MR RAFAEL CANALES ABAITUA | |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | |

| Name | Company's contribution for the year (thousand €) | | | | Amount of accumulated funds (thousands of €) | | | |
|------------------------------------|---|------|---|------|---|------|---|------|
| | Savings systems with consolidated economic rights | | Savings systems with unconsolidated economic rights | | Savings systems with consolidated economic rights | | Savings systems with unconsolidated economic rights | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| MR JOSE GALÍNDEZ ZUBIRIA | | | | | | | | |
| MR PABLO BURGOS GALINDEZ | | | | | | | | |
| MR IGNACIO ARTAZCOZ BARRENA | | | | | | | | |
| MS INÉS ARELLANO GALÍNDEZ | | | | | | | | |
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | | | | | | | | |
| MS GINA DOMANIG | | | | | | | | |
| MR RAFAEL CANALES ABAITUA | | | | | | | | |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | | | | | | | | |

Remarks

iv) Details of other items

| Name | Item | Remuneration Amount |
|------------------------------------|------|---------------------|
| MR JOSE GALÍNDEZ ZUBIRIA | Item | |
| MR PABLO BURGOS GALINDEZ | Item | |
| MR IGNACIO ARTAZCOZ BARRENA | Item | |
| MS INÉS ARELLANO GALÍNDEZ | Item | |
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | Item | |
| MS GINA DOMANIG | Item | |
| MR RAFAEL CANALES ABAITUA | Item | |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | Item | |

Remarks

c) Summary of remuneration (in thousands of €):

The summary shall include the relevant amounts for all the remuneration items included herein that the director has accrued, in thousands of euros.

| Name | Remuneration accrued at the Company | | | | | Remuneration accrued at Group companies | | | | | | |
|------------------------------------|-------------------------------------|------|--|--------------------------|------------------------------|---|--------------------|------|--|--------------------------|------------------------------|------------------|
| | Total remuneration | cash | Gross profit from consolidated shares or financial instruments | Remuneration for systems | Remuneration for other items | Total 2019 company | Total remuneration | cash | Gross profit from consolidated shares or financial instruments | Remuneration for systems | Remuneration for other items | Total 2019 group |
| MR JOSE GALÍNDEZ ZUBIRIA | 118 | | | | | 118 | | | | | | |
| MR PABLO BURGOS GALINDEZ | 281 | | | | | 281 | | | | | | |
| MR IGNACIO ARTAZCOZ BARRENA | 40 | | | | | 40 | | | | | | |
| MS INÉS ARELLANO GALÍNDEZ | 32 | | | | | 32 | | | | | | |
| MS BEGOÑA BELTRÁN DE HEREDIA VILLA | 40 | | | | | 40 | | | | | | |
| MS GINA DOMANIG | 27 | | | | | 27 | | | | | | |
| MR RAFAEL CANALES ABAITUA | 29 | | | | | 29 | | | | | | |
| MR ANTONIO GALÍNDEZ ZUBIRÍA | 4 | | | | | 4 | | | | | | |
| TOTAL | 571 | | | | | 571 | | | | | | |

Remarks

d. Antonio Galíndez stepped down as a proprietary director on 25 January 2019, and on the same date Mr Rafael Canales was appointed, though co-option, as the new proprietary director. In the case of the CEO, it is noted that for accounting purposes an accounting provision of 943 thousand has been included in the Financial Statements in relation to the long-term multi-year plan. However, it should be noted that the accrual for this multi-year plan, with the final sum set, will occur on 31 December 2020, with the collection of the corresponding sum being enforceable on 31 March 2021.

D. OTHER IMPORTANT INFORMATION

If there are any relevant issues related to director remuneration that are not contained in the previous sections of this report but which must be included in order to present fuller and more detailed information about the company's remuneration structure and practices in relation to its Directors, explain them here briefly.

During the 2019 financial year, the fixed amount accrued in favour of the CEO amounted to 188,900 euros, compared to the 186,700 euros initially reported, while the second amount (which coincides with the amount received during the 2018 financial year) was updated under the CPI of the previous year.

This annual report on remuneration was approved by the Company's Board of Directors at its meeting held on:

27/02/2020

State whether any directors voted against or abstained in relation to the approval of this Report.

Yes

No