ISSUER IDENTIFICATION DETAILS

Year end-date:	31/12/2020
TAX ID (CIF):	A-28212264

Company name:

ENCE ENERGIA Y CELULOSA, S.A.

Registered Office:

BEATRIZ DE BOBADILLA, 14 PLANTA 4ª MADRID

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1. Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

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

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

The current remuneration policy has been determined and approved through the procedures set out in the Capital Companies Act (LSC) and the Articles of Association, with the intervention of the corporate bodies set out in said regulations.

In particular, Article 21.2 of the Ence Articles of Association includes, among the powers of the Annual General Meeting of Shareholders, the approval of the remuneration policy for Directors under the terms established in the Capital Companies Act (LSC). For its part, Article 529 r of the Capital Companies Act (LSC) establishes that the directors remuneration policy shall be approved by the Annual General Meeting of Shareholders at least every three years, be justified, and be accompanied by a report from the Appointments and Remuneration Committee.

In accordance with the foregoing, the Annual General Meeting of Shareholders held on 31 March 2020 approved the current directors' remuneration policy, following a favourable report from the Appointments and Remuneration Committee. Both the policy and the report are permanently available on the corporate website www.ence.es

As explained in the aforementioned report, the current remuneration policy falls under a spirit of continuity with respect to the 2018 policy, for which ENCE was advised by KPMG for its drafting. Said external consultant also prepared a report analysing and aligning remuneration with the market and took into account a group of comparable companies belonging to the non-financial sector of a similar size and complexity to ENCE (Portucel, Altri, and Europac), based on the analysis carried out by the external consultant.

As explained by the appointments and remuneration committee in its report, without prejudice to the maintenance of the general remuneration system, it was deemed appropriate to propose to the Annual General Meeting of Shareholders the approval of a new remuneration policy in order to expressly address the situation of the chief executive officer and chairman of the board of directors positions being held by a single person, as well as to incorporate the improvements derived from the information received from institutional investors and proxy advisors in the regular consultation process carried out by the Company regarding matters of good governance.

The current remuneration policy regulates the compensation system applicable to the Company's Directors, in particular:

- the applicable regulatory framework
- the objectives and principles underpinning the policy
- the general composition of the remuneration of directors
- the fixed remuneration items applicable to directors in their capacity as such, including their maximum limit
- the fixed and variable (short- and long-term) remuneration items applicable to executive directors
- other benefits or remuneration in kind items
- ex-post adjustments of variable remuneration (malus and clawback)
- other contractual clauses: severance, notice, and non-competition clauses in the event of termination and exclusivity clauses

As regards the specific determinations for the current financial year, in application of the Directors' Remuneration Policy, the following actions have been carried out in 2021:

- With respect to the short-term variable remuneration of the CEO for financial year 2020, on 25 January 2021 the Appointments and Remuneration Committee assessed the degree of compliance with the targets set, previously audited by the Company's Internal Audit Department, and reported favourably on the proposal for variable remuneration that was approved by the Board of Directors at its meeting on 26 January 2021.

- With regard to the short-term variable remuneration of the CEO for financial year 2021, the Appointments and Remuneration Committee at its meeting on 25 January 2021 reported favourably on the proposal to set targets, which was approved by the Board of Directors at its meeting on 26 January 2021.

Throughout this report, the procedures and mechanisms applied by the appointments and remuneration committee and by the board to determine the sums received by Ence board members are described in detail, which are also broken down throughout this report.

- Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

  Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

The principles of the remuneration policy include promoting the achievement of the Company's interests, incorporating the necessary mechanisms to avoid excessive risk-taking and the rewarding of unfavourable results, and, with regard to executive directors, fostering a culture of commitment to objectives and sharing the business's successes and risks, aligning remuneration with short- and long-term objectives.

The total compensation of the Executive Directors is made up of different remuneration items, which mainly consist of: (i) a fixed remuneration, (ii) a short-term variable remuneration, (iii) a long-term/multi-annual variable remuneration, (iv) assistance benefits, and (v) remuneration in kind. The relative importance (remuneration mix) of each of these components in 2020 is as follows: 55% of his remuneration in 2020 corresponds to his fixed remuneration for executive functions, 11% to his fixed remuneration as chairman of the board, and 34% to his short-term variable remuneration.

The remuneration of Directors in their capacity as members of the Board of Directors and its committees consists of a fixed allowance and allowances for attendance at meetings (except for the Chairman of the Board and of the executive committee who do not receive allowances), as well as the possibility of receiving other remuneration consisting of different types of insurance (life insurance, accident insurance, healthcare). Non-executive Directors are not expected to receive variable remuneration.

The determination of the variable remuneration targets for 2021 for the CEO, approved by the Board and reported favourably by the Appointments and Remuneration Committee, which is referred to in greater detail in section A.1.6 of this report, includes quantifiable and measurable metrics that reflect the company's value drivers and at the same time ensure the company's sustainability in the long term.

In this sense, the annual targets are linked to the Company's growth, to the operational execution, to the generation of cash, to the fulfilment of parameters of environmental behaviour, and those related to people, their safety, and the organisational climate. All of them, as a whole, are aligned with the interests of the Company and offer a balanced summary focused on sustainable growth.

In relation to the annual variable remuneration of the Executive Director in 2021, the board of directors expects that it will not accrue in the event that certain levels of operating EBITDA improvement are not achieved (above €25 million in pulp and €17 million in energy), which further reinforces the company's commitment to linking this type of remuneration to the company's performance and results.

Long-term variable remuneration schemes, on the other hand, are part of a multi-annual framework, always longer than two years, to ensure that the evaluation process is based on long-term results and takes into account the corresponding economic cycle. The long-term incentive designed for the current financial year, approved by the Annual General Meeting of Shareholders for 2019, is aligned throughout its duration with the Company's Strategic Plan, covering the period from 2019 to 2023. One of the objectives of this plan is to promote the Company's sustainability for the creation of long-term value and to reinforce the orientation of the executive team and the CEO towards achieving the business targets committed to in the 2019-2023 strategic plan.

The performance metrics, which are referred to in greater detail in Section A.1.6 of this report, are directly related to the company's growth, the generation of value for shareholders, and have a specific focus on the working environment and sustainability, through the establishment of a specific index made up of 10 objectives that address material issues for the company, identified after the corresponding materiality analysis in which the opinion of the stakeholders and the objectives and actions in the Company's Sustainability Plan 2019-2023 itself have been taken into account.

These include, among other parameters, those related to people, the environment, customers, and the surroundings. It also establishes that the achievement of the part of the long-term incentive linked to EBITDA will be based upon the need to ensure the net debt/EBITDA ratio included in the 2019/2023 strategic plan.

70% of the long-term remuneration of the CEO is paid in shares on the basis of value creation so that the interests of the CEO are aligned with those of the shareholders. In addition, in relation to any shares received under the Long-Term Incentive Plan, there is an obligation for the CEO to hold a number of shares equivalent to twice his annual fixed remuneration for a period of 3 years.

Likewise, for the variable remuneration, both short- and long-term, clauses for the reduction or return of remunerations received are established for when such remunerations were based on data whose inaccuracy has since been evidently shown or on cases of serious breach by the Executive Director (malus/clawback).

In this regard, the CEO's service contract establishes that the board of directors may defer payment of all or part of his variable remuneration if circumstances or events (e.g. financial difficulties) make such deferral advisable.

In this case, the board of directors, upon a proposal from the appointments and remuneration committee, shall determine the amount to be reduced or, as the case may be, deferred from the outstanding remuneration applicable to the chief executive officer before such amount is received.

- Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

ENCE's Articles of Association (Articles 42 and 43) allow Directors, in their capacity as such, to receive (i) a fixed remuneration - made up of a periodic allowance and an allowance for attending the Board of Directors and their Committees' meetings - and, additionally, (ii) remuneration consisting of shares or option rights to shares or through any other remuneration system that is linked to the value of the shares, whether they are of the Company itself or of companies in its group, and (iii) other compensation consisting of life, accident and illness, and healthcare insurance and for Executive Directors a pension system in the event of death, retirement, disability, inability to exercise the position, or civil retirement.

The fixed remuneration that is expected to accrue during the current financial year for directors in their capacity as such is that determined in the 2018 financial year by the Board of Directors, following a report by the Appointments and Remuneration Committee, in particular 44,500 euros for each of the directors and 135,000 euros for the Chairman of the Board of Directors. In addition, the amount of the per diems for attending the meetings of the Board and its committees (except for the Chairman of the Board and the CEO, who do not receive attendance per diems pursuant to their service provision agreement) in the current financial year shall be as follows:

Members of the Board: €2,020
Chairs of Committees: €4,050 (except for the Chair of the Executive Committee, who is the Chairman of the Board, and pursuant to his service contract does not receive a per diem)
Members of the Committees: €3,000

- Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

The Articles of Association establish that the remuneration provided for in the preceding paragraph is compatible with and independent of salaries, remuneration, indemnification, pensions, or compensation of any kind established in a general or specific manner for members of the Board of Directors who maintain a common or special labour relationship of senior management or who render services to the Company, relationships that must be compatible with being a member of the Board of Directors.

As of the date of this Report, the sole Executive Director of the Company is the CEO, Mr Ignacio de Colmenares Brunet, who was appointed Chairman of the Board of Directors on 30 April 2019.

The CEO's fixed remuneration for his executive duties is 664,125 euros, in accordance with his service contract approved by the Board of Directors and as set out in the current Remuneration Policy.

In financial year 2021, on a voluntary, extraordinary, temporary, and non-consolidable basis, the fixed remuneration to be received by the chief executive officer shall be reduced by 20% with respect to the fixed remuneration received in 2020, effective from 1 January 2021 until 31 December 2021. This reduction shall cease to have effect from 1 January 2022.

Notwithstanding the foregoing, the reduced fixed remuneration shall not be taken as a reference for the calculation of the 2021 variable remuneration, the LTI plan 2019/23, social benefits, or any other remuneration component linked to the fixed remuneration, including the determination, if applicable, of contract termination benefits.

If Ence's profit after tax in 2021 is positive, the CEO shall recover the amount of fixed remuneration not received in 2021.

- Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

The Company has taken out a policy that insures the group which is formed by all the Directors against the following risks derived from accidents: death, absolute permanent disability, and partial permanent disability (the risk of permanent disability is not covered for Directors who are over the age of 75). Additionally, the Company offers the Directors and their spouses the possibility of an annual medical check-up.

The Honorary Chairman of the Board of Directors (Mr Juan Luis Arregui Ciarsolo), in addition to the aforementioned fixed remuneration, receives a health insurance benefit.

The amounts of premiums paid by the company for the above components are shown in section C of this report.

In addition, the CEO, for performing his executive functions and in accordance with the service provision contract, is the beneficiary of:

1. Mixed social security system: The CEO shall have the right to participate in a social security system to cover the contingencies of his retirement, death, and total, absolute, or severe permanent disability. For the purposes of the Chief Executive Officer's contract, retirement shall be deemed to have occurred when the contract is terminated as a result of the Chief Executive Officer leaving office for any reason, provided that such termination occurs after the Chief Executive Officer has reached the age of 62.

While the CEO remains in office, the compensation for death, absolute, permanent, or major disability shall be increased by an additional capital equivalent to 35 monthly instalments of the annual Fixed Remuneration. When the contingency arises from an accident, the additional capital shall be equivalent to 70 monthly instalments of the annual Fixed Remuneration.

The contributions required to finance the system will be made by both the Company and the CEO: (i) The Company will make an annual contribution to the insurance contract consisting of 5.25% of the annual Fixed Remuneration. (ii) The CEO shall make an annual contribution to the insurance contract consisting of 1% of the annual Fixed Remuneration.

Likewise, the part of the premium of the mixed life insurance contract that is necessary to finance the additional capital due to death, absolute, permanent, or major disability will be paid in half by the Company and the CEO. However, the CEO will contribute 1.125% of the annual Fixed Remuneration in this respect. Any excess over this amount will be fully assumed by the Company.

2. Defined benefit social security system: Irrespective of the above social security system, the Chief Executive Officer shall be entitled, as an incentive for remaining with the Company, to a retirement benefit, which shall be deemed to have occurred when the Contract is terminated due to the Chief Executive Officer's resignation after having reached 62 years of age, which shall be equal to 1 year's Fixed Remuneration and the amount of the variable remuneration received in the year immediately prior to the time of termination.

In any case, the sum of the Company's contributions to this defined social security benefit system and to the mixed social security benefit system shall not exceed the sum of the payments received by the Chief Executive Officer in the last financial year, or calendar year if this amount is greater, for his membership on the Board of Directors both as Chairman and for his executive functions.

3. Other remuneration: In addition, the CEO shall be entitled to medical insurance for himself, his spouse, and his unmarried children living in the family home, the cost of which shall be borne by the Company. In addition, the CEO will have at his disposal a company vehicle and a driver, the costs of which will be borne by the Company.

– Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

  Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

The Directors do not receive any variable remuneration due to their status as such. The CEO, in accordance with the Remunerations Policy and his service provision contract, receives the following short-term variable remuneration and is the beneficiary of the following variable long-term remuneration:

A) SHORT-TERM VARIABLE REMUNERATION: The short-term variable remuneration will be determined by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, based on the overall assessment of their professional performance and the degree of achievement of the Company's annual objectives.

This Variable Remuneration can reach a maximum amount of 120% of the CEO's last Fixed Remuneration. The Short-Term Variable Remuneration is linked to predetermined and measurable criteria which shall not only revolve around occasional or extraordinary events, nor be based solely on the general evolution of the markets or the Company's sector, but shall promote the long-term sustainability and profitability of the Company. The targets set for 2021 are the following:

Cash Flow PG 2020 (EBITDA - Variation in working capital) (15%)
Cash Cost Cellulose (17.50%)
Cash Cost Independent Energy Plants (12.50%)
Implementation of Energy projects (10%)
Structural overheads (10%)
Cellulose Production Volume (tAd) (10%)
Sale of MWh in Independent Energy Plants (5%)
Implementation of action plans after audits for immediate priority incidents (5%)
Organizational Climate (5%)

Occupational Safety (5%)
Improved environmental performance (5%)
For the Chief Executive Officer in 2021, a qualitative target is set with a weighting of 20% based on the Board's assessment of the overall management during the year.

For the calculation of the amount resulting from the annual variable remuneration, the result of the quantitative objectives shall be multiplied by 0.80 and the result of the qualitative assessment shall be added.

In any case, it should be noted that the variable remuneration for 2021 will only be received through an improvement of the operating EBITDA above €25 million in pulp and €17 million in energy (over the 2020 actual at the same pulp and energy prices for 2020 and wood adjusted for PIX evolution). This demonstrates the connection between remuneration and the Company's successful performance in terms of results, which is what determines shareholder return.

Therefore, short-term variable remuneration is linked to the achievement of quantitative and qualitative objectives (business, financial, operational, environmental performance, etc.) predetermined by the Board of Directors.

The Board of Directors, at the proposal of the Appointments and Remuneration Committee, is responsible for approving the objectives at the beginning of each financial year and evaluating their fulfilment at the end of the year. The final amount is calculated taking into account the degree of compliance and the weighting assigned to each objective, applying the internal assessment rules and procedures for objectives established by the Company for its executives.

In order to enable verification of compliance with the predetermined performance conditions, payment shall be made in cash after the annual accounts have been drawn up and the audit report issued, and in any case within one month of the drawing up of the annual accounts for the financial year in question, unless exceptional circumstances require an additional period of time.
Notwithstanding the foregoing, if after payment of this variable remuneration item, the Company becomes aware that it has been paid in whole or in part on the basis of data subsequently proven to be inaccurate or if the payment did not comply with the performance conditions established in the corresponding objectives, the Chief Executive Officer is required to reimburse the Company within 90 business days following a claim for any unduly received sums in this respect, net of any withholdings made by the Company.

B) LONG-TERM VARIABLE REMUNERATION: The Remuneration Policy states that, in order to recognise the effort and value generated for the Company by its Executive Directors, Long-Term Variable Remuneration Plans, linked to the achievement of the Company's objectives, may be established. These plans must contain the specific period of time over which to measure results (always more than 2 years), include specific objectives and metrics for results, maximum and minimum achievement thresholds, and set a target and maximum amount to receive in cash and/or shares if the established objectives are achieved.

In this regard, the Annual General Meeting of Shareholders of 28 March 2019 approved the long-term Incentive Plan for financial years 2019 to 2023, as a monetary remuneration plan and delivery of the Company's shares of a multi-year nature, the basic conditions of which are as follows:

This is a five-year Plan, aligned with the duration of the Strategic Plan, consisting of two cycles, with an intermediate milestone at three years.
The first has a duration of three years from 1 January 2019 to 31 December 2021 and the second, of five years from 1 January 2019 to 31 December 2023.

The generation period of the Long-Term Incentive begins on 1 January 2019 and the two Cycles will begin on the same date. Cycle I will end on 31 December 2021 and Cycle II will end on 31 December 2023. Cycle I of the incentive will be paid, if applicable, in July 2022 and Cycle II of the incentive, if applicable, in July 2024.

The following are essential requirements for accrual: a) To achieve the minimum degree of achievement of objectives (minimum level) in accordance with the criteria to which the objectives are referenced. b) That the beneficiary is in a position to effectively provide services for ENCE (registered with Social Security) on the corresponding accrual date, with the usual exceptions for this type of Incentive.

For the purposes of determining the final amount of the Incentive, the criteria to which the objectives will refer and their degree of weighting will be as follows:

a) 45% of the amount of the Incentive will be linked to the degree of achievement of the Group's and/or Division's cumulative synthetic EBITDA targets contained in the 2019/2023 Strategic Plan. Synthetic EBITDA has been highlighted with a lower Cash Cost, thus measuring management independently from exogenous variables. Synthetic EBITDA is the cumulative annual EBITDA result of the ENCE Group and/or Division on 31 December 2021 and 2023 for Cycle I and Cycle II, respectively, calculated in terms of the synthetic dollar price, the exchange rate, and commercial discount of the 2019-2023 Strategic Plan, based on the following formula: (Synthetic sale price of BHKP - Actual Cash Cost of BHKP) x Actual Volume of BHKP + (Synthetic sale price of Diss. Pulp - Real Cash Cost of DP) x Actual Volume of DP + EBITDA Fluff + Marginal EBITDA of new products + EBITDA margin sale of wood to third parties (including exhaustion adjustment)

The following are established as minimum levels to be reached:
1. As of 31 December 2021 (Cycle I):
   - Group cumulative synthetic EBITDA of €982,000,000.
   - Accumulated synthetic cellulose EBITDA of €738,000,000.
   - Accumulated synthetic energy EBITDA of €244,000,000.
2. As of 31 December 2023 (Cycle II):

- Group cumulative synthetic EBITDA of €1,834,000,000.
- Accumulated synthetic cellulose EBITDA of €1,366,000,000.
- Accumulated synthetic energy EBITDA of €468,000,000.

Achievement of this minimum level will result in 50% of the target remuneration intended for this objective.

The following are established as targets to be reached:

1. As of 31 December 2021 (Cycle I):
   - Group cumulative synthetic EBITDA of €1,228,000,000.
   - Accumulated synthetic cellulose EBITDA of €923,000,000.
   - Accumulated synthetic energy EBITDA of €305,000,000.
2. As of 31 December 2023 (Cycle II):
   - Group cumulative synthetic EBITDA of €2,293,000,000.
   - Accumulated synthetic cellulose EBITDA of €1,708,000,000.
   - Accumulated synthetic energy EBITDA of €585,000,000.

Achievement of this target level will result in 100% of the target remuneration intended for this objective.
The percentage of achievement for this target will grow linearly between 50% and 100%.

The following are set as maximum levels:

1. As of 31 December 2021 (Cycle I):
   - Group cumulative synthetic EBITDA of €1,474,000,000.
   - Accumulated synthetic cellulose EBITDA of €1,108,000,000.
   - Accumulated synthetic energy EBITDA of €366,000,000.
2. As of 31 December 2023 (Cycle II):
   - Group cumulative synthetic EBITDA of €2,752,000,000.
   - Accumulated synthetic cellulose EBITDA of €2,050,000,000.
   - Accumulated synthetic energy EBITDA of €702,000,000.

Achievement of this maximum level will result in 130% of the target remuneration for this objective.
The percentage of achievement for this target will grow linearly between 100% and 120%.

b) 30% of the amount of the Incentive will be linked to the degree of achievement of the target related to the increase in the value of ENCE's shares with respect to the increase in the value of the basket of shares of companies in the sector (relative TSR).

1) A minimum percentage revaluation of the average value of ENCE's shares, equal to 80% of the percentage revaluation of the average value of the reference basket of shares, is established for both Cycles as the minimum level to reach. Achievement of this minimum level will result in 50% of the target remuneration intended for this objective.

2) The target level for both Cycles is set to reach a percentage revaluation of the average value of ENCE's shares equal to 100% of the percentage revaluation of the average value of the reference basket of shares. Achievement of this target level will result in 100% of the target remuneration intended for this objective. The percentage of achievement for this target will grow linearly between 50% and 100%.

3) The maximum level is set for both Cycles to reach a percentage revaluation of the average value of ENCE's shares equal to 120% of the percentage revaluation of the average value of the reference basket of shares.
Achievement of this maximum level will result in 130% of target remuneration intended for this objective.
The percentage of achievement for this target will grow linearly between 100% and 120%.

c) 15% of the amount of the Incentive will be linked to the degree of achievement of the target related to Sustainability (synthetic sustainability index), formed by a basket of 10 objectives related to (1) the health and safety of people, (2) diversity, (3) growth in products with sustainability attributes, (4) reduction of water consumption, (5) the promotion of the circular economy, (6) the reduction of the odour impact, (7) the reduction of noise levels in biofactories and independent energy plants, (8) certified wood, (9) the fulfilment of the indicators in the Biomass Sustainability Guidelines, and (10) the acceptance of the environment through community relations plans.

The following is set as a minimum level:

1. As of 31 December 2021 (Cycle I): The fulfilment of four of the ten objectives.
2. As of 31 December 2023 (Cycle II): The fulfilment of six of the ten objectives.

Achievement of this minimum level will result in 40% of the target remuneration intended for this objective.

An intermediate level is set between the minimum and the target:

1. As of 31 December 2021 (Cycle I): The fulfilment of five of the ten objectives.
2. As of 31 December 2023 (Cycle II): The fulfilment of seven of the ten objectives.

Achievement of this intermediate level will result in 70% target remuneration intended for this criterion.

The following is established as a target level:
1. As of 31 December 2021 (Cycle I): The fulfilment of six of the ten objectives.
2. As of 31 December 2023 (Cycle II): The fulfilment of eight of the ten objectives.

Achievement of this target level will result in 100% of the target remuneration intended for this objective.

An intermediate level is set between the target and the maximum:
1. As of 31 December 2021 (Cycle I): The fulfilment of seven of the ten objectives.
2. As of 31 December 2023 (Cycle II): The fulfilment of nine of the ten objectives.

Achievement of this intermediate level will result in 115% target remuneration intended for this objective.

The following is set as the maximum level:
1. As of 31 December 2021 (Cycle I): The fulfilment of eight of the ten objectives.
2. As of 31 December 2023 (Cycle II): The fulfilment of ten of the ten objectives.

Achievement of this maximum level will result in 130% of the target remuneration for this objective.

d) 10% of the amount of the Incentive will be linked to the degree of achievement of the objective related to the organisational climate (synthetic climate index defined by an external consultant and measured according to their criteria).

The following is set as a minimum level:
1. As of 31 December 2021 (Cycle I): ENCE Trust Index for 2021 equal to the industry average for 2019, 2020, and 2021 minus three points.
2. As of 31 December 2023 (Cycle II): ENCE Trust Index for 2023 equal to the industry average for 2021, 2022, and 2023 minus three points.

Achievement of this minimum level will result in 40% of the target remuneration intended for this objective.

The following is established as a target level:
1. As of 31 December 2021 (Cycle I): ENCE Trust Index for 2021 equal to the industry average for 2019, 2020, and 2021.
2. As of 31 December 2023 (Cycle II): ENCE Trust Index for 2023 equal to the industry average for 2021, 2022, and 2023. Achievement of this target level will result in 100% of the target remuneration intended for this objective.

The percentage of achievement of this objective will grow linearly between 40% and 100% in the case of obtaining intermediate Trust Index values between those mentioned above.

The following is set as the maximum level:
1. As of 31 December 2021 (Cycle I): ENCE Trust Index for 2021 equal to the industry average for 2019, 2020, and 2021 plus three points.
2. As of 31 December 2023 (Cycle II): ENCE Trust Index for 2023 equal to the industry average for 2021, 2022, and 2023 plus three points.

Achievement of this maximum level will result in 130% of the target remuneration for this objective.
The achievement percentage of this objective will grow linearly between 100% and 120% in the case of obtaining intermediate Trust Index values between those mentioned above.

As regards the methodology for determining, at the end of the financial year, the degree of compliance with the various objectives, once the levels of compliance with the parameters by the involved company areas have been provided, the results are confirmed by the Company's Internal Audit Department. This information is made available to the Appointments and Remuneration Committee, which, after study and evaluation, reports favourably as appropriate to the Board for final approval.

In the case of annual variable remuneration, the methodology described is developed at the beginning of the year, for payment in the first three months of the financial year. In the case of long-term variable remuneration, the process takes place throughout the year on the basis of the accrual and payment periods established in the corresponding Plan Regulations.

The amount of the Long-Term Incentive in the event of achievement of the "target level" in each of the criteria to which the objectives are referenced, for the CEO, shall be five annuities of the average annual fixed remuneration of the financial years 2019/20/21/22/23.

If the "maximum level" is reached in each of the criteria to which the objectives refer, the amount of the Incentive may reach up to 130% of the previous amounts.

And if the "minimum level" is achieved in each of the criteria referred to in the objectives, the amount of the Incentive to achieve may vary according to the type of metrics, establishing a minimum payment schedule of 50% for the targets of synthetic EBITDA and Relative TRS, and 40% for the objectives of Sustainability and Organisational Climate.

The maximum number of shares that the CEO may receive for this item is 520,714.

The CEO must keep a number of shares equivalent to twice his annual Fixed Remuneration under the conditions established in the Plan for a period of 3 years. The board of directors may totally or partially waive this obligation for the chief executive officer not to hold of shares in order to address extraordinary situations that may arise, subject to a favourable report from the appointments and remuneration committee.

The Company reserves the right to claim reimbursement of the long-term incentive paid in cash and in shares when it has been paid based on data the inaccuracy of which is subsequently accredited. In this case, the beneficiary must reimburse any amount unduly received within 90 days.

- Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

  Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

The Directors in their capacity as such receive only a fixed remuneration consisting of a periodic allowance and a per diem for attendance at meetings, without the Company making contributions to pension plans or other long-term savings schemes.

As indicated beforehand in relation to remuneration in kind, by virtue of his executive duties and in accordance with the service provision contract, the CEO is the beneficiary of a mixed social security system to cover the contingencies of retirement, death, and total, absolute, or severe permanent disability, as well as a defined social security system that is independent of the previous social security system.

The aforementioned mixed social security system is a defined contribution system in which the CEO contributes 1% of his annual fixed remuneration and the Company contributes 5.25% of it.

These defined contribution mixed savings insurance contract rights the savings component are compatible with any type of indemnity for early termination or termination of the contractual relationship between the company and the CEO.

The CEO shall lose the rights relating to the contributions made by the company in the following cases set out in the contract for the provision of services:
• Termination of the contract due to legal infringement or serious breaches of the contract that result in verifiable damage to the company.
• Voluntary resignation of the chief executive officer, not due to a change of control under the terms set out in said contract, before reaching the age of 62.

• Non-compliance by the CEO with the non-competition obligation after termination.

In relation to life and accident insurance, the CEO contributes 50% of the cost of the premium (with a limit of 1.125% of the annual Fixed Remuneration) and the company contributes 50% of the premium plus the difference of the cost in the event that the contribution of the CEO exceeds the aforementioned limit.

The contingencies covered by the insurance policy are as follows: retirement, total permanent disability expressly declared by the competent administrative or judicial body, absolute permanent disability expressly declared by the competent administrative or judicial body, severe disability expressly declared by the competent administrative or judicial body, and death.

The insured capital is equivalent to 35 monthly payments of the fixed remuneration for the CEO or, in the event that contingencies result from an accident, the capital received would be equivalent to 70 of these monthly payments.

In addition, as of 1 February 2016, a defined social security system was established in addition to the mixed social security system, as an incentive to remain with the Company. It is linked to an age of 62 or over, and the right to retirement insurance is introduced when the following conditions are met: (a) termination of the contract due to the resignation of the CEO in the contractually stipulated cases; and (b) such termination occurs at an age equal to or greater than 62 years of age.

This benefit will be for an amount equal to one annual Fixed Remuneration, plus the annual remuneration for non-executive functions, plus the variable remuneration received in the year leading up to the termination.

In any case, the sum of the Company's contributions to this defined social security benefit system and to the mixed social security benefit system shall not exceed the sum of the payments received by the Chief Executive Officer in the last financial year, or calendar year if this amount is greater, for his membership on the Board of Directors both as Chairman and for his executive functions.

- Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

On a general basis, Article 23.3 of the Board of Directors Regulations establishes that if, when informed by the Appointments and Remuneration Committee, the Board of Directors should become aware that the interests of the Company would be put at risk, a Director who is ending their term or who for any other reason ceases to serve in the position may not provide services to any other entity competing with the Company during the established time period, which in no case shall exceed two years. In such cases, the Director in question shall be entitled to a reasonable indemnity payment to offset any actual damages he or she may suffer as a result of said measure. This compensation shall be calculated within the limit referred to in Article 42.1 of the Articles of Association.

The foregoing provision has never been applicable, so there are no indemnities paid or agreed upon with the directors for termination of their functions as company directors in their capacity as such.

As regards the Executive Director, the contract between Ence and the CEO for the provision of services establishes the following provisions:

i) The Board may at any time revoke the powers delegated to the Chief Executive Officer. The non-reelection of a Chief Executive Officer as a member of the Board when their appointment expires during the term of the contract shall be considered equivalent to such termination. In this case, Directors are entitled to (i) a minimum notice of three months or, as the case may be, to gross compensation equivalent to the annual Fixed Remuneration according to the period of notice not complied with and (ii) to an indemnity of one year's annual Fixed Remuneration received at that time, and the variable remuneration received the year immediately prior to termination. Any remuneration from long-term incentive plans is not included in this calculation. If the termination of the Chief Executive Officer is a result of the commission of infractions against the law, contracts, the articles of association, or other applicable company regulations, the notice and indemnity payment mentioned above are also excluded.

ii) If, during the term of the Contract, a major shift in control of the Company occurs, as defined within the Contract, a Director may present their resignation, and is entitled to receive a sum equivalent to twice the annual Fixed Remuneration being received at that time plus the Variable Remuneration received the two previous years.

iii) During the twelve months following a Director's dismissal for any reason, he or she may not compete with the Company. Compensation for the Chief Executive Officer's post-contractual non-competition obligation has been paid to the Chief Executive Officer since his appointment as Chief Executive Officer. For this purpose, 15% of his Fixed Remuneration is deemed to be paid to the Chief Executive Officer as compensation for the non-competition obligation. If this requirement is not complied with, the Director must pay back the compensation paid for this item to the Company, without prejudice to the damages which may be claimed.

With regard to the latter compensation, it should be noted that it would not entail the payment of any additional sum upon termination of the contractual relationship between the Company and the CEO.

- Indicate the conditions that contracts of executive directors performing senior management functions must contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The service provision contract between ENCE and the CEO covers, in addition to the clauses detailed in the above section, the following terms and conditions:

i) The CEO may resign from his position at any time, with a written notice at least three months in advance, with no right to compensation of any kind. If this notice is not given, the Company will be entitled to a compensation equivalent to the Fixed Remuneration corresponding to the non-observed term of notice.

ii) The full and exclusive dedication of the CEO is required, without prejudice to any functions he may perform (i) in other companies in the Company's group or (ii) in family companies under his ownership, provided that these functions do not affect his dedication and do not entail a conflict of interest with the Company.

iii) The severance pay shall be paid when the Company verifies, within three months following the severance, that there have been no serious infractions or breaches resulting in verifiable harm to the Company or, if applicable, that other performance criteria that may be agreed in advance have been met.

iv) The contract for the provision of services remains in force while Mr Ignacio de Colmenares Brunet occupies his position as CEO of the Company.

v) Clawback and malus clauses:

A) Clawback: The Chief Executive Officer shall be required to repay to the Company the net sums received as annual and multi-year variable remuneration when, within two years of such payment, any event or circumstance arises that has the effect of significantly altering the economic or other data on which the variable remuneration in question was granted, and the board of directors, at the proposal of the appointments and remuneration committee, decides to reduce or cancel the Chief Executive Officer's entitlement to the variable remuneration already received.

B) Malus: The annual or multi-annual variable remuneration pending payment, whether in cash or shares, may be reduced or cancelled by the company if during the period between the date of accrual of such variable remuneration and the time of its payment it is possible to establish the inaccuracy or incorrectness of the data used to calculate the final amount of such variable remuneration. This reduction or cancellation of accrued but unpaid variable remuneration would also apply in the case of short- and long-term variable remuneration that may be deferred over time.

In addition, the board of directors may defer payment of all or part of the variable remuneration if circumstances or supervening events make such deferral advisable. The board of directors, following a proposal by the appointments and remuneration committee, shall determine the amount to be reduced or, as the case may be, deferred from the outstanding remuneration applicable to the Chief Executive Officer before such sum is received.

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

There has been no additional remuneration.

- Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

The Company has not granted advances, loans, or guarantees to its Directors.

- The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

There has been no additional remuneration.

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

- A new policy or an amendment to the policy already approved by the General Meeting.

- Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.

- Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

As indicated above, the Annual General Meeting of Shareholders held on 31 March 2020 approved a new director remuneration policy for financial years 2020, 2021, and 2022.

Since the previous policy does not provide for the position of CEO and Chairman of the Board of Directors to overlap, the approval of the new 2020-2022 remuneration policy by the Annual General Meeting of Shareholders has entailed the elimination of the "Full Fixed Remuneration" item and the recovery as fixed remuneration for the CEO the sum of 664,125 euros for his executive duties established in 2013, as well as receiving separately the sums corresponding to him in his capacity as Chairman of the Board.

Likewise, the new remuneration policy offers a greater detail of the fixed and variable remuneration to be received by Directors for their executive functions, includes the provisions of the Long-Term Incentive Plan 2019-2023 which was approved at the Annual General Meeting of Shareholders held on 28 March 2019, and incorporates some improvements in its drafting and the structure of the contents.

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.

The direct link to the current Remuneration Policy document available on the website is: https://ence.es/inversores/gobierno-corporativo/codigo-de-conducta-y-

politicas-corporativas/

A.4 Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

In the vote on item nine of the agenda for the Annual General Meeting of Shareholders held on 31 March 2020, relating to the consultative vote on the annual remuneration report for financial year 2019, 137,653,921 valid votes were cast, representing 56.75% of the share capital and it was approved by a majority of 130,814,925 votes (95.03% of the votes validly cast).

Taking into account that the percentage of votes in favour of the 2019 report is more than 20% higher than in 2018, the Company understands that the measures adopted aimed at completing the information provided in the Report, including the breakdown of the specific metrics applicable to the annual variable remuneration of the Chief Executive Officer, as well as the possible levels of compliance with the targets set out in the 2019-2023 Long-Term Incentive Plan, have been positively received by the shareholders, who have shown their majority support.

B OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

The individual remunerations reflected in section C of this report have been approved by the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, in application of the Remuneration Policy.

With respect to the short-term variable remuneration of the CEO for financial year 2020, on 25 January 2021 the Appointments and Remuneration Committee assessed the degree of compliance with the targets set, audited beforehand by the Company's Internal Audit Department, and reported favourably on the proposal for variable remuneration that was approved by the Board at its meeting on 26 January 2021.

As regards the fixed remuneration of the chief executive officer for his executive duties reported in section C of this report (referred to as "Salary" in the table in said section C), the amount indicated (694 thousand) corresponds to the remuneration provided for the chief executive officer in his service contract and in the current remuneration policy (664 thousand) adjusted by the provisions in section 6 of said policy as regards the period of validity, whereby the fixed remuneration provided for in section 5.2 of the remuneration policy for the chairman and chief executive officer shall apply from his appointment as chairman on 30 April 2019. Therefore, in this financial year he was entitled to receive an additional 30 thousand euros, which was not received from 30 April 2019 to 31 December 2019.

The "Fixed Remuneration" of the chairman of the board reported in section C of this report (135 thousand euros) corresponds to the amount approved by the board of directors as fixed remuneration for the position of chairman of the board, which is also included in the remuneration policy and has remained unchanged since 2018.

All the remuneration components indicated in section C were also reviewed by the appointments and remuneration committee on 25 January 2021, which applied the items and amounts provided for in the directors remuneration policy and approved by the board of directors on 26 January 2021.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued and that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

The objectives of the remuneration policy include promoting the achievement of the Company's interests, incorporating the necessary mechanisms to avoid excessive risk-taking and the rewarding of unfavourable results and, with regard to executive directors, fostering a culture of commitment to objectives and sharing the business's successes and risks, aligning remuneration with short- and long-term objectives.

The total compensation of the Executive Directors is made up of different remuneration items, which mainly consist of: (i) a fixed remuneration, (ii) a short-term variable remuneration, (iii) a long-term/multi-annual variable remuneration, (iv) assistance benefits, and (v) remuneration in kind.

As regards the remuneration mix of the Chairman and CEO for 2020, taking as a reference the total remuneration and the level of compliance with the annual variable remuneration in this financial year, the fixed remuneration represents 66% (of which 11% corresponds to the fixed remuneration in his capacity as chairman and 55% to the fixed remuneration for executive functions) and the annual variable remuneration 34%. The calculation of the remuneration mix has not taken long-term remuneration into account, which was not paid in 2020.

The variable remuneration for 2020 for the CEO, approved by the Board and favourably reported by the Appointments and Remuneration Committee, referred to in greater detail in section B.7 of this report, includes quantifiable and measurable metrics that reflect the company's value drivers and the Company's performance with respect to each of them, while ensuring the company's long-term sustainability at the same time.

In this sense, the targets are linked to the Company's growth, to the operational execution, to the generation of cash, to the fulfilment of parameters of environmental behaviour, and those related to people, their safety, and the organisational climate, as well as the general assessment of their management during the financial year based on certain activities that are especially noteworthy, detailed in section B.6. All of them, as a whole, are aligned with the interests of the Company and offer a balanced summary focused on sustainable growth.

Long-term variable remuneration schemes, on the other hand, are part of a multi-annual framework, always longer than two years, to ensure that the evaluation process is based on long-term results and takes into account the corresponding economic cycle.

The long-term incentive corresponding to 2020, also favourably reported by the Appointments and Remuneration Committee and approved by the Annual General Meeting of Shareholders in 2019, has a duration of five years, covering the period 2019-2023, in line with Ence's Strategic Plan.

One of the objectives of this plan is to promote the sustainability of the Company for the creation of long-term value, to reinforce the orientation of the executive team and the CEO towards re-evaluating the Company, improving the organisational climate, and incentivizing the attainment of the business targets committed to in the Strategic Plan.

70% of the long-term remuneration of the CEO is paid in shares on the basis of value creation so that the interests of the CEO are aligned with those of the shareholders. In addition, there is an obligation for the CEO to hold a number of shares equivalent to 2 times his annual Fixed Remuneration during the 3-year term.

In conclusion, the Company's Remuneration Policy establishes an appropriate balance between its fixed and variable components, so that in a scenario of standard compliance with the targets associated with annual and multi-annual variable remuneration, the fixed remuneration represents around 40% of the total compensation.

B.3 Explain how the remuneration accruing and vested during the year complies with the provisions of the current remuneration policy.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

In accordance with the remuneration policy in force, the total compensation of executive directors is made up of different remuneration elements, which basically consist of: (i) a fixed remuneration, (ii) a short-term variable remuneration, (iii) a long-term/multi-annual variable remuneration, (iv) assistance benefits, and (v) remuneration in kind.

In accordance with the policy in force, the remuneration of directors in their capacity as such consists of fixed remuneration and other possible items in kind such as life, accident, health, and medical insurance, with the maximum annual amount of remuneration for all directors in their capacity as such being 1,900,000 euros.

Based on this, the previous sections have explained in detail how the remuneration accrued in the financial year, referring to the above-mentioned remuneration items, complying with the provisions of the current remuneration policy.

As regards the relationship between the remuneration obtained by the Directors and the results or other performance measures of the Company, short- and long-term, as explained in the previous section, the achievement of the Executive Director's targets, both annual and multi-year, is linked to a series of different predetermined metrics, financial and non-financial, with the aim of not restricting short-term variable remuneration solely to annual compliance goals, such as financial ones, but also including long-term goals related to other material aspects for the sustainability of the Company such as environmental performance and workplace safety.

The metrics of the CEO's short- and long-term variable remuneration, which have been broken down in this report, are in line with the above.

However, the Company's financial figures in 2020 were not satisfactory, as shown by, for example, the EBITDA margin achieved in 2020, which was mainly influenced by the collapse in the price of pulp, which fell to historic lows during the year, as well as the fall in the price of energy. However, other relevant operating figures such as pulp production volume or cost levels have been positive, thanks to the significant efforts of the management team, led by the CEO, to reduce costs and preserve cash flow without affecting employment. Within this framework, the CEO's short-term target achievement level in 2020 was 51%, as detailed below, demonstrating how variations in the company's performance have influenced the variation in directors' remuneration.

As may be deduced from the foregoing, the mechanisms established in the remuneration policy have been duly applied and fulfil their objective of aligning the remuneration of directors with the achievement of the Company's short- and long-term results.

B.4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes against, if any:

	Number	% of total
Votes cast	137,653,921	56.75

	Number	% of votes cast
Votes against	6,648,014	4.83
Votes in favour	130,814,925	95.03
Abstentions	190,982	0.14

Remarks

B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined and how they changed with respect to the previous year.

The fixed components accrued during the year by the directors in their capacity as directors are unchanged from the previous year.

Therefore, the fixed remuneration of the directors in their capacity as such for financial year 2020 remains unchanged at 44,500 euros, and the fixed remuneration for the Chairman of the board at 135,000 euros.

The amount of the daily allowance for attending meetings of the Board and its committees in financial year 2020 was set at the following amounts:

Members of the Board: €2,020
Chairs of Committees: €4,050 Members of the Committees: €3,000 The Chairman of the Board and of the Executive Committee does not receive an allowance for attendance.

B.6 Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

The CEO, Ignacio de Colmenares Brunet, is the sole Executive Director, and for performing the roles delegated to him and in his capacity as the Company's CEO, he receives the remuneration established in the service provision contract signed between himself and the Company.

The fixed remuneration received as remuneration for executive functions, in accordance with the terms of the service provision contract and the remuneration policy, amounted to 664,125 euros in 2020, plus the sum of 29,000 euros corresponding to the difference not received as chairman of the board since April 2019 due to the pending approval of the remuneration policy, totalling 693,791 euros. In addition, during financial year 2020, the chief executive officer received 135,000 euros corresponding to the fixed remuneration for his position as chairman of the board, as stated in the remuneration policy.

B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

- Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

- In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.

- Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).

- Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

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

The Directors do not receive any variable remuneration due to their status as such. In accordance with the provisions of the Remuneration Policy and his service provision contract, the CEO receives a short-term variable remuneration determined by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, depending on the degree of compliance with the Company's annual objectives and the CEO's performance.

Said annual objectives are quantitative and qualitative targets (business, financial, operational, environmental performance, etc.) predetermined by the Board of Directors. As such, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, is responsible for approving the objectives at the beginning of each financial year and evaluating their fulfilment at the end of the year.

The determination of the annual objectives of the Chief Executive Officer for financial year 2020 was reported on favourably by the Appointments and Remuneration Committee at its meeting of 27 January 2020 and approved by the Board at its meeting of 28 January 2020, and the assessment of their level of compliance was reported favourably by the committee at its meeting of 25 January 2021 and approved by the Board of Directors at its meeting of 26 January 2021, following confirmation by the internal auditor.

The targets set for 2020, their weighting, and the level of achievement were as follows:

Cash Flow PG 2020 (EBITDA - Change in working capital) (weight 15%) - the minimum target level is not reached Cash Cost Pulp (weight 20%) - achievement 11.22% Cash Cost Independent Energy Plants (weight 20%) - achievement 17.61% Structural overheads (weight 10%) - achievement 12% Volume Pulp production (weight 10%) - achievement 5.07% MWh sales in Independent Energy Plants (10%) - minimum target level not reached Organisational Climate (weight 5%) - achievement 4.25%
Occupational Safety (5%) - the minimum target level is not reached
Improved environmental performance (5%) - achievement 0.84% Board assessment of overall management during the year (20%) - achievement 120%

As can be seen, the targets that have been most affected by the current situation derived from the pandemic, such as the change in working capital, EBITDA, or energy sales, have had a low level of achievement or have not reached the minimum forecast, while a higher level of achievement has been reached in manageable metrics such as cash costs or structural overheads. This is particularly noteworthy given that these targets have been reached without any temporary or permanent workforce restructuring measures, thus ensuring employment and maintaining uninterrupted activity.

In particular, the overall level of achievement of the objectives associated with the annual variable remuneration of the CEO in 2020 was 51%.

As reported in the previous year's Remuneration Report, for the calculation of the amount resulting from the annual variable remuneration, the result of the quantitative objectives shall be multiplied by 0.80 and the result of the qualitative assessment shall be added.

The achievement compliance scale consists of three levels: critical level, target level (100%), and maximum level (120%). The final amount is calculated taking into account the degree of compliance and the weight assigned to each objective, applying the procedure that the company has defined for this purpose and reviewed by the internal auditor.

With regard to the Board of Directors' assessment of the qualitative target consisting of the CEO's overall management in financial year 2020, in particular as regards the actions taken and the operational and management measures adopted in response to the situation created by COVID 19, the Board gave a very positive assessment, highlighting the measures to protect cash flow and reduce costs, which have enabled Ence to maintain uninterrupted activity in all its operations, even during the most serious moments of the pandemic, avoiding the adoption of restructuring measures in relation to Ence's workers, and ensuring the health and safety of its own and subcontracted employees at all times. The Board also highlighted the importance of the CEO's strategic vision, management, and negotiation skills in the definition and successful execution of the corporate transactions that took place during the year. In view of the above, the Board has approved a level of achievement of the qualitative target at 120%.

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

The Remuneration Policy states that, in order to recognise the effort and value generated for the Company by its Executive Directors, Long-Term Variable Remuneration Plans, linked to the achievement of the Company's objectives, may be established.

These plans must contain the specific period of time over which to measure results (always more than 2 years), include specific objectives and metrics for results, maximum and minimum achievement thresholds, and set a target and maximum amount to receive in cash and/or shares if the established objectives are achieved.

Along these lines, on 28 March 2019, the Annual General Meeting of Shareholders approved a Long-Term Incentive Plan for 2019-2023, the characteristics of which are set out in the 2020-2022 Directors Remuneration Policy and detailed in section A of this report.

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

During the year, no variable component returns have been reduced or claimed.

B.9 Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit,

whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

The directors in their capacity as such receive only a fixed remuneration consisting of a periodic allowance and a per diem for attendance at meetings, and the Company does not make contributions to pension plans or other long-term savings schemes.
By virtue of his executive duties and in accordance with the service provision contract, the CEO is the beneficiary of a mixed social security system to cover the contingencies of retirement, death, and total, absolute, or severe permanent disability, as well as a defined social security system that is independent of the previous social security system.

The aforementioned mixed social security system is a defined contribution system in which the CEO contributes 1% of his annual fixed remuneration and the Company contributes 5.25% of it.

These defined contribution mixed savings insurance contract rights the savings component are compatible with any type of indemnity for early termination or termination of the contractual relationship between the company and the CEO. The CEO shall lose the rights relating to the contributions made by the company in the following cases set out in the contract for the provision of services:

- Termination of the contract for breach of law or serious breaches of the contract that result in verifiable harm to the company.
- Voluntary resignation of the chief executive officer, not due to a change of control under the terms set out in said contract, before reaching the age of 62.
- Non-compliance by the CEO with the non-competition obligation after termination.

In relation to the life and accident insurance, the CEO contributes 50% of the cost of the premium (with a limit of 1.125% of the annual Fixed Remuneration) and the Company contributes 50% of the premium plus the difference of the cost in the event that the contribution of the CEO exceeds the aforementioned limit. The contingencies covered by the insurance policy are as follows: retirement, total permanent disability expressly declared by the competent administrative or judicial body, absolute permanent disability expressly declared by the competent administrative or judicial body, severe disability expressly declared by the competent administrative or judicial body, and death.

The insured capital is equivalent to 35 monthly payments of the CEO’s annual Fixed Remuneration or, in the event that contingencies result from an accident, the capital received would be equivalent to 70 of these monthly payments.

In addition, as of 1 February 2016, a defined social security system was established in addition to the mixed social security system, as an incentive to remain with the Company. The contribution for 2020 amounted to €187 million, all of which was assumed by the company. It is linked to an age of 62 or over, and the right to retirement insurance is introduced when the following conditions are met: (a) termination of the contract due to the resignation of the CEO in his position in accordance with the contractual clauses; and (b) such termination occurs at an age equal to or greater than 62 years. Said benefit will be an amount equal to one annual Fixed Remuneration, plus the variable remuneration received in the year leading up to the termination.

In any case, the sum of the Company's contributions to this defined social security benefit system and to the mixed social security benefit system shall not exceed the sum of the payments received by the Chief Executive Officer in the last financial year, or calendar year if this amount is greater, for his membership on the Board of Directors both as Chairman and for his executive functions.

The amount of the CEO's rights in 2020 under each type of policy is detailed in section C. These rights are non-vested, given the existence of conditions in both cases, the fulfilment of which could result in the forfeiture of such rights.

B.10 Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

No indemnities or payments have been accrued during the year as a result of cessations.

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

In September, the board of directors, at the proposal of the appointments and remuneration committee, approved a consolidated text of the CEO's service contract, which previously consisted of one original contract and four addenda.

This is a mere technical recasting without any substantial or material changes, and also includes some formal adaptations to the Good Governance Code for Listed Companies and drafting improvements.

B.12 Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

There has been no additional remuneration.

B.13 Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

No loans, advances, or guarantees have been granted.

B.14 Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

As explained in Section A, the Company has taken out a policy that insures the group which is formed by all the Directors against the following risks derived from accidents: death, absolute permanent disability and partial permanent disability (the risk of permanent disability is not covered for Directors who are over the age of 75). Additionally, the Company offers the Directors and their spouses the possibility of an annual medical check-up.

The Honorary Chairman of the Board of Directors, in addition to the fixed remuneration described in section C of this report, is a beneficiary of health insurance. Details of directors' remuneration for these items in 2020 are included in section C.1 of this Report.

The CEO, for the performance of his executive duties, and in accordance with the service provision contract, is the beneficiary of a company car, family medical insurance with the option of a medical check-up or reimbursement, and mixed life and accident savings insurance.

The amount of the premium corresponding to the life and accident insurance is paid in equal parts by the CEO and the Company, and the risks covered by the insurance are as follows: retirement, total permanent disability expressly declared by the competent administrative or judicial body, permanent absolute incapacity declared expressly by the competent administrative or judicial body, severe disability declared expressly by the competent administrative or judicial body, and death. The insured capital is equivalent to 35 monthly payments of the fixed remuneration of the CEO or, in the event that contingencies result from an accident, the capital received would be equivalent to 70 of these monthly payments.

The detail of the CEO's remuneration for these items in 2020 is included in section C.1.

B.15 Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director’s services to the company.

Not applicable.

B.16 Explain any item of remuneration other than the foregoing, whatever its nature or the group company paying it, especially when this is considered a related party transaction or its settlement distort the true and fair picture of the total remuneration accrued by the director.

The Directors do not receive any remuneration other than those explained in the previous sections.

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Accrual period 2020 financial year
Mr IGNACIO DE COLMENARES BRUNET	Chief Executive Officer	From 01/01/2020 to 31/12/2020
Mr JUAN LUIS ARREGUI CIARSOLO	Proprietary Director	From 01/01/2020 to 31/12/2020
RETOS OPERATIVOS XXI, S.L.	Proprietary Director	From 01/01/2020 to 31/12/2020
TURINA 2000, S.L.	Proprietary Director	From 01/01/2020 to 31/12/2020
Mr VÍCTOR URRUTIA VALLEJO	Proprietary Director	From 01/01/2020 to 31/12/2020
LA FUENTE SALADA, S.L.	Proprietary Director	From 01/01/2020 to 22/12/2020
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Proprietary Director	From 22/12/2020 to 31/12/2020
Mr JOSÉ CARLOS DEL ÁLAMO JIMÉNEZ	Independent Director	From 01/01/2020 to 31/12/2020
Ms ISABEL TOCINO BISCAROLASAGA	Independent Director	From 01/01/2020 to 31/12/2020
Ms ROSA MARÍA GARCÍA PIÑEIRO	Independent Director	From 01/01/2020 to 31/12/2020
Ms IRENE HERNÁNDEZ ÁLVAREZ	Independent Director	From 01/01/2020 to 31/12/2020
Ms AMAIA GOROSTIZA TELLERÍA	Independent Director	From 01/01/2020 to 31/12/2020
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	Other External Director	From 01/01/2020 to 31/12/2020
Mr JAVIER ECHENIQUE LANDIRIBAR	Other External Director	From 01/01/2020 to 31/12/2020
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	Other External Director	From 01/01/2020 to 31/12/2020

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

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Allowances	Remuneration for membership on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for the 2020 financial year	Total for the 2019 financial year
Mr IGNACIO DE COLMENARES BRUNET	135			694	430				1,259	1,469
Mr JUAN LUIS ARREGUI CIARSOLO	44	24	21						89	147
RETOS OPERATIVOS XXI, S.L.	44	32	42						118	96
TURINA 2000, S.L.	44	32	45						121	105
Mr VÍCTOR URRUTIA VALLEJO	44	22	9						75	74
LA FUENTE SALADA, S.L.	41	30	24						95	81
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	4	2							6	
Mr JOSÉ CARLOS DEL ÁLAMO JIMÉNEZ	44	32	46						122	109
Ms ISABEL TOCINO BISCAROLASAGA	44	32	47						123	115
Ms ROSA MARÍA GARCÍA PIÑEIRO	44	32	42						118	101
Ms IRENE HERNÁNDEZ ÁLVAREZ	44	32	54						130	64
Ms AMAIA GOROSTIZA TELLERÍA	44	30	18						92	61
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	44	30	45						119	102
Mr JAVIER ECHENIQUE LANDIRIBAR	44	30	24						98	87
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	44	32	72						148	133

Remarks

The amount indicated under "Salary" in relation to Mr Ignacio de Colmenares, amounting to 694 thousand euros, includes the following items:

- The amount of 664,125 euros, as fixed remuneration for executive functions, as established in the Remuneration Policy.
- The amount of 29,666 euros, in respect of the portion of fixed remuneration for executive duties that he did not receive in the previous financial year since his appointment as Chairman of the board of directors on 30 April 2019 (he received 619,625 euros, instead of 664,125 euros), and it is payable to him in this financial year in accordance with the provisions in section 6 of the Remuneration Policy, as reported in the Directors Remuneration Report for financial year 2019.

ii) ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of the Plan	Financial instruments at the start of the 2020 financial year		Financial instruments granted during the 2020 financial year		Consolidated financial instruments during the financial year				Expired and unexercised instruments	Financial instruments at the end of the 2020 financial year	
		No. of instruments	No. of Equivalent shares	No. of instruments	No. of Equivalent shares	No. of instruments	N° Equivalent/vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of Equivalent shares
Mr IGNACIO DE COLMENARES BRUNET	2019-2023 Long-Term Incentive Plan (Cycle I)	208,286	208,286	208,286	208,286			0.00			208,286	208,286
Mr IGNACIO DE COLMENARES BRUNET	2019-2023 Long-Term Incentive Plan (Cycle II)	312,428	312,428	312,428	312,428			0.00			312,428	312,428

Remarks

The figure of 208,286 is the maximum number of shares that would correspond to Mr Colmenares in Cycle I (2019-2021) in the case of reaching the maximum level (130%) of the Plan and the rest of the conditions foreseen therein. For the target compliance level (100%), the number of shares Mr Colmenares would receive on the expected payment date for Cycle I would be 160,220.

The figure of 312,428 is the maximum number of shares that would correspond to Mr Colmenares in Cycle II (2019-2023) in the case of reaching the maximum level (130%) of the Plan and the rest of the conditions foreseen therein. For the target compliance level (100%), the number of shares Mr Colmenares would receive on the expected payment date for Cycle I would be 240,330.

iii) Long-term savings schemes

Name	Remuneration for vested rights to savings systems
Mr IGNACIO DE COLMENARES BRUNET	

Name	Company's contribution for the period (thousands of €)				Amount of the accumulated funds (thousands of €)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Savings systems with vested economic rights		Savings systems with non-vested economic rights	
	2020 financial year	2019 financial year	2020 financial year	2019 financial year	2020 financial year	2019 financial year	2020 financial year	2019 financial year
Mr IGNACIO DE COLMENARES BRUNET			222	217			1,303	1,075

Remarks

The data reported in the table refer to the two long-term savings schemes for the Chairman and CEO reported throughout this report. The breakdown is as follows: The company's contribution to the mixed savings system in 2020 was 35 thousand euros, the same amount as in 2019. The amount of funds accumulated in 2020 under this scheme is 392 thousand euros. The company's contribution to the defined benefit scheme in 2020 was 187 thousand euros, and 182 thousand euros in 2019. The amount of funds accumulated in 2020 under this system is 911 thousand euros. Neither system has vested rights. For the purposes of clarification, the amounts accumulated in the fund are the sum of the amount contributed adjusted by the return obtained by the fund during the financial year (currently around 0.1%)

iv) Details of other items

Name	Item	Remuneration amount
Mr IGNACIO DE COLMENARES BRUNET	Item	
Mr JUAN LUIS ARREGUI CIARSOLO	Accident and health insurance	2
RETOS OPERATIVOS XXI, S.L.	Accident insurance and medical examinations	2
TURINA 2000, S.L.	Accident insurance and medical examinations	2
Mr VÍCTOR URRUTIA VALLEJO	Accident insurance	2
LA FUENTE SALADA, S.L.	Accident insurance	2
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	Accident insurance	
Mr JOSÉ CARLOS DEL ÁLAMO JIMÉNEZ	Accident insurance and medical examinations	3
Ms ISABEL TOCINO BISCAROLASAGA	Accident insurance and medical examinations	2
Ms ROSA MARÍA GARCÍA PIÑEIRO	Accident insurance	1
Ms IRENE HERNÁNDEZ ÁLVAREZ	Accident insurance	1
Ms AMAIA GOROSTIZA TELLERÍA	Accident insurance	1
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	Accident insurance and medical examinations	3
Mr JAVIER ECHENIQUE LANDIRIBAR	Accident insurance and medical examinations	3
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	Accident insurance	1

Remarks

The amounts are expressed in thousands of euro

b) Remuneration of company directors for seats on the boards of other group companies:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Allowances	Remuneration for membership on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total for the 2020 financial year	Total for the 2019 financial year
Mr IGNACIO DE COLMENARES BRUNET										

Remarks
Mr Ignacio de Colmenares is the only director who is a sole director or sits on the boards of other group companies, but does not receive any remuneration for his position.

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of the Plan	Financial instruments at the start of the 2020 financial year		Financial instruments granted during the 2020 financial year		Consolidated financial instruments during the financial year				Expired and unexercised instruments	Financial instruments at the end of the 2020 financial year	
		No. of instruments	No. of Equivalent shares	No. of instruments	No. of Equivalent shares	No. of instruments	N° Equivalent/vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of Equivalent shares
No data												

Remarks

iii) Long-term savings schemes

Name	Remuneration for vested rights to savings systems
No data	

Name	Company's contribution for the period (thousands of €)				Amount of the accumulated funds (thousands of €)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Savings systems with vested economic rights		Savings systems with non-vested economic rights	
	2020 financial year	2019 financial year	2020 financial year	2019 financial year	2020 financial year	2019 financial year	2020 financial year	2019 financial year
No data								

Remarks

iv) Details of other items

Name	Item	Remuneration amount
No data		

Remarks

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remuneration earned at the Company					Remuneration earned at companies of the group					
Name	Total remuneration in cash	Gross profit from vested shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total from company for the 2020 period	Total remuneration in cash	Gross profit from vested shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total from group for the 2020 period	Total from company+group for the 2020 period
Mr IGNACIO DE COLMENARES BRUNET	1,259				1,259						1,259
Mr JUAN LUIS ARREGUI CIARSOLO	89			2	91						91
RETOS OPERATIVOS XXI, S.L.	118			2	120						120
TURINA 2000, S.L.	121			2	123						123
Mr VÍCTOR URRUTIA VALLEJO	75			2	77						77
LA FUENTE SALADA, S.L.	95			2	97						97
Mr JOSÉ IGNACIO COMENGE SÁNCHEZ-REAL	6				6						6

	Remuneration earned at the Company					Remuneration earned at companies of the group					
Name	Total remuneration in cash	Gross profit from vested shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total from company for the 2020 period	Total remuneration in cash	Gross profit from vested shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total from group for the 2020 period	Total from company+group for the 2020 period
Mr JOSÉ CARLOS DEL ÁLAMO JIMÉNEZ	122			3	125						125
Ms ISABEL TOCINO BISCAROLASAGA	123			2	125						125
Ms ROSA MARÍA GARCÍA PIÑEIRO	118			1	119						119
Ms IRENE HERNÁNDEZ ÁLVAREZ	130			1	131						131
Ms AMAIA GOROSTIZA TELLERÍA	92			1	93						93
Mr FERNANDO ABRIL-MARTORELL HERNÁNDEZ	119			3	122						122
Mr JAVIER ECHENIQUE LANDIRIBAR	98			3	101						101
Mr JOSÉ GUILLERMO ZUBÍA GUINEA	148			1	149						149
TOTAL	2,713			25	2,738						2,738

Remarks

In relation to the amount received by the group of directors for their status as such in fiscal year 2020, which amounts to 1.619 million euros, it should be noted that this figure does not exceed the maximum limit established by the Annual General Meeting of Shareholders, which is set at 1.9 million euros.

D OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

Not applicable.

This annual remuneration report was approved by the Board of Directors of the company in its meeting of:

23/02/2021

Indicate whether any director voted against or abstained from approving this report.

[ ] Yes
[√] No