APPENDIX I:

Template and statistics on the Annual Report on Director Remuneration under Circular 4/2013, of the CNMV

ANNEX I TEMPLATE
ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE	31/12/2022
TAX ID (CIF)	A-28212264

Company name:

ENCE ENERGIA Y CELULOSA, S.A.

Registered office:

BEATRIZ DE BOBADILLA, 14 PLANTA 4ª MADRID

ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A1.1. 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:

a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.

b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.

c) Information on whether any external advisors took part in this process and, if so, their identity.

d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

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

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 process of setting, reviewing and implementing the policy
- 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) of the Executive Director
- contractual clauses of the Executive Director: severance, notice, and non-competition clauses in the event of termination and exclusivity clauses

The company bodies involved in the setting, review and implementation of the Policy are listed below, specifying their specific functions for this purpose:

Firstly, the General Shareholders' Meeting is responsible for approving:

The Remuneration Policy at least every three years
The maximum annual remuneration amount of all the Directors in their capacity as such.
Variable remuneration systems for Directors that include the delivery of shares or stock options or remuneration linked to the value of the shares.

The Board of Directors is responsible for:
Regarding the Directors in their capacity as such, approving the distribution among different items of the maximum amount approved by the General Shareholders' Meeting.
For Executive Directors, approving the fixed remuneration and the main terms and conditions of the short- and long-term variable remuneration schemes.
Approving the contracts regulating the performance of the duties and responsibilities of Executive Directors.
Reviewing proposals to adapt, update or approve the Directors' Remuneration Policy to be submitted to the General Shareholders' Meeting for approval.
Approving the annual report on Directors' remuneration to be submitted to the advisory vote of the General Shareholders' Meeting.
The functions of the Appointments and Remuneration Committee include the following:
Propose to the Board of Directors the distribution among different items of the maximum amount approved by the General Shareholders' Meeting.
Propose to the Board of Directors the fixed remuneration of the Executive Directors and annually reviews the terms and conditions of variable remuneration to be approved by the Board.
Propose to the Board of Directors the contracts regulating the performance of the duties and responsibilities of Executive Directors.

Propose to the Board of Directors the approval of the Directors' Remuneration Report and, where appropriate, of the Remuneration Policy, its adaptations or updates.

The sustainability committee is also involved, which prepares, in relation to long-term variable remuneration, the proposal of the objectives comprising the sustainability basket to be approved by the Board of Directors.

Other areas of the Entity involved in the process:

Planning and Control Department: It elaborates the report on the degree of achievement of operational, business, financial and non-financial objectives, based on the results audited by the Company's internal and external auditor.
Internal audit management: it elaborates a report on the correctness of the data and calculations made in relation to the annual target indicators, their quantification and the degree of achievement for each target.
General Secretary: it prepares formal Remuneration Policy documentation for submission to the Appointments and Remuneration Commission and the Board. It prepares, with the Human Capital Department, the annual report on Directors' remuneration.

Without prejudice to the foregoing, 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.
Both the policy and the report are permanently available on the corporate website www.ence.es. There are no procedures for applying temporary exceptions to the Policy.
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 2023:
- With respect to the short-term variable remuneration of the CEO for financial year 2022, on 18 January 2023 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 24 January 2023.

- With regard to the short-term variable remuneration of the CEO for financial year 2023, the Appointments and Remuneration Committee at its meeting on 18 January 2023 reported favourably on the proposal to set targets, which was approved by the Board of Directors at its meeting on 24 January 2023.

A1.2. 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 corporate interest, incorporating the required mechanisms to avoid excessive risk-taking and the rewarding of unfavourable results, aligning remuneration with market practices within a criterion of remuneration moderation, taking into account the circumstances of the applicable markets, adopting measures to ensure that the remuneration of external directors is appropriate without constituting an obstacle to their independence, and with regard to executive directors, fostering a culture of commitment to objectives and of sharing the successes and risks of the business, 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 2022 is as follows: 54% of their remuneration in 2022 corresponds to their fixed remuneration for executive functions and as chairman of the board, and 46% to their short-term and long-term variable remuneration.

The short-term variable remuneration of the CEO in 2022 was €473,100.

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 2023 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.

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 more detail in point 6 of Section A.1 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 an index made up of 10 objectives that address material issues for the company. 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.

A1.3. Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

Article 38 of ENCE's current articles of association enables Directors, in their capacity as such, to receive a specific periodic allowance (as part of this periodic allowance, the remuneration policy may establish that directors receive subsistence allowances for attendance at meetings of the Board of Directors and its committees). The Company may also take out life, accident, sickness and health insurance for its Directors. The amount of remuneration that the Company may pay annually to all its Directors in their capacity as such for all items, including attendance fees and premiums for life, accident and health insurance and health care, shall not exceed the amount determined for this purpose by the general meeting in the remuneration policy it has approved. The amount so determined shall remain unchanged until it is changed by a new resolution of the General Shareholders' Meeting.

The fixed remuneration that the Directors are expected to accrue in the current year in their capacity as such is determined by the board of directors in 2018, following a report from the Appointments and Remuneration Committee, and which has remained unchanged since then, namely €44,500 for each of the Directors and €135,000 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: €2,200

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: €3000

The maximum annual amount of Remuneration for all Directors in their capacity as such is €1,900,000 in accordance with the provisions of the directors' compensation policy, and which coincides with the amount approved by the General Shareholders' Meeting on 22 March 2018, and will remain in force until it is modified at a subsequent General Shareholders' Meeting.

A1.4. 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.

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, in accordance with his service contract approved by the Board of Directors and as set out in the current Remuneration Policy.
Regarding the provisions of the proposed new remuneration policy to be submitted for approval at the next General Shareholders’ meeting of the company in relation to the chief executive officer's fixed remuneration, we refer to the explanation of the same and its amendments contained in section A.2 of this report.

A1.5. 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 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, excluding termination due to a change of control, 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.

A1.6. 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.

Non-executive directors do not receive any variable remuneration due to their status as such. The CEO, in accordance with the Remunerations Policy (the "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) The short-term variable remuneration will be determined by the Board of Directors (the "Board"), at the proposal of the Appointments and Remuneration Committee (the "CNR"), 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 2023 are the following:

Group accounting EBITDA: 40% Cellulose production volume: 10% MWh sales in Magnon: 10%.

Improvement of the organisational climate (cellulose + Magnon): 2% Improvement of safety at work: 2%.

Improvement of environmental performance (Navia + Pontevedra: 2% Cash Cost Cellulose: 12,5%

Cash Cost Magnon: 12.5% EBITDA energy management: 9%

For the Chief Executive Officer in 2023, 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. Short-term variable remuneration is therefore linked to the achievement of quantitative and qualitative targets predetermined by the Board.

The Board, 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.

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. However, if after payment 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 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.

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 ended on 31 December 2021 and Cycle II will end on 31 December 2023. The incentive corresponding to Cycle I was paid in July 2022, where a cash payment of €59,000 and the delivery of 23,712 shares of the Company corresponded to the CEO, equivalent (at the date of delivery) to an amount of €77,000. The incentive payment for Cycle II of the Incentive, if applicable, will be paid 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 targets 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 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 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 of BHKP - Actual Cash Cost of BHKP) x Actual Volume of BHKP + (Synthetic sale 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 Incentive is linked to the degree of achievement of the Sustainability-related objective (Synthetic Sustainability Index), consisting of a basket of 10 objectives related to (1) people's health and safety, (2) diversity,

(3) growth in products with sustainability attributes, (4) reduction of water consumption, (5) promotion of the circular economy,

(6) reduction of the impact of odours, (7) reduction of noise levels in biofactories and independent power plants, (8) certified wood, (9) compliance with the indicators of the biomass sustainability decalogue, and (10) acceptance of the environment through community engagement plans.

The following is set as a minimum level:

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

Achievement of this minimum level will result in 40% target remuneration intended for this objective. An intermediate level between the minimum and the target is established:

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

Achievement of this intermediate level will result in 70% target remuneration intended for this objective. A target level ("target") is established:

1. As of 31/12/21 (Cycle I): The fulfilment of six of the ten targets
2. As of 31/12/23 (Cycle II): The fulfilment of eight of the ten targets

Achievement of this target level will result in 100% target remuneration intended for this objective. An intermediate level between the target and the maximum is established:

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

Achievement of this intermediate level will result in 115% target remuneration intended for this objective. A maximum level is established:

1. As of 31 December 2021 (Cycle I): The fulfilment of eight of the ten targets
2. As of 31 December 2023 (Cycle II): The fulfilment of ten of the ten targets

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 31/12/21 (Cycle I): ENCE Trust Index for 2021 equal to the industry average for 2019, 2020, and 2021 minus three points
2. As of 31/12/23 (Cycle II): ENCE's 2023 Trust Index equal to the industry average for the years 2021, 2022 and 2023 minus three points The achievement of this minimum level will give rise to 40% of the target remuneration earmarked 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's 2023 Trust Index equal to the industry average for the years 2021, 2022 and 2023 The achievement of this target level will give rise to 100% of the target remuneration earmarked for this objective

The achievement percentage 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's 2023 Trust Index equal to the industry average for the years 2021, 2022 and 2023 plus three points The achievement of this maximum level will give rise to 130% of the target remuneration earmarked 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 Internal Audit Department. This information is made available to the CNR, which, after study and evaluation, reports favourably as appropriate to the Board for final approval.

Given that the first Cycle of the long-term incentive covers the years 2019-2021, the Board, following a favourable report from the CNR, assessed in the first quarter of 2022 the degree of compliance with the objectives of Cycle I and approved the payment of the corresponding incentive to the CEO of the Company for a total amount of €136,000 (cash + shares of the Company).

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 targets 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. This obligation may be waived in whole or in part by the Board to deal with extraordinary situations that arise, subject to a favourable report from the CNR.
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.
In addition, the proposed new Policy to be submitted for approval by the shareholders' meeting regulates the general framework within which the company's long-term remuneration plans must be approved, including the new 2023-2027 long-term incentive plan that the Board, upon proposal of the CNR, will submit to the vote of the next shareholders' meeting.
Taking into account that this new 2023-2027 plan coexists with the current plan, since it starts before the end of the second cycle of the 2019-2013 long-term incentive plan, it is established that, from the incentive resulting from the first cycle of the new plan, 1/5 of the amount received from the 2019 plan, if any, will be deducted.

A1.7. 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 already mentioned with regard to remuneration in kind, the CEO, for the performance of their executive duties, and in accordance with the service contract, is the beneficiary of a mixed retirement system for the coverage of
the contingencies of retirement, death and total, absolute or severe permanent disability, as well as of a social security system with a defined benefit 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 or statutory 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.

On the other hand, a defined pension system was established whereby 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 one 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.

A1.8. 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.

Directors in their capacity as such are not entitled to receive any payment or compensation for early termination or cessation of the contractual relationship.

Regarding the CEO, the contract 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, the Director may present their resignation, and is entitled to receive a sum equivalent to twice the

Fixed Annual 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.

A1.9. Indicate the conditions that the contracts of executive directors performing senior management functions should 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)Full and exclusive dedication of the Director is required, without prejudice to the positions that they may hold (i) in companies belonging to the Company's group and (ii) in family companies of an asset-holding nature, provided that they do not affect their dedication and do not entail a conflict of interest with the Company, or (iii) in other companies other than the above when expressly authorised to do so by the Board of Directors.

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.

A1.10. 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.

No additional remuneration is foreseen.

A1.11. Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

There are no plans to grant advances, loans or guarantees to its Directors.

A1.12. 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.

(a) As already reported in 2021, during that year, on a voluntary, extraordinary, temporary and non-consolidable basis, it was agreed that the fixed remuneration to be received by the Chief Executive Officer in 2021 would be reduced by 20% compared to the fixed remuneration received in 2020 and, only if the Company's profit after tax in 2021 were positive, the Chief Executive Officer would recover the amount of the fixed remuneration not received in 2021.

(b) The recovery of the reduced 20% did not take place as the net benefit after tax in 2021 was negative due to the provisions made as a result of the judgments of the Spanish High Court declaring the nullity of the extension of the concession on which the Pontevedra biofactory is based.

(c) On 7 February 2023, a note was published on the website of the Spanish General Council of the Judiciary informing that the Spanish Supreme Court has upheld the appeals filed by the Company against the aforementioned rulings of the Spanish High Court. On 8 March, two rulings of the Spanish Supreme Court dated 6 March 2023 were notified, declaring the rulings of the Spanish High Court null and void and upholding the legality of the extension of the concession. As a consequence of this decision, it was agreed to reverse the above-mentioned provisions as finished in the annual accounts prepared by the Board of Directors on 31 March 2023.

In view of the foregoing, the Appointments and Remuneration Committee reported favourably on the approval by the Board of Directors of the recovery by the Chief Executive Officer of 20% of their fixed remuneration foregone during the 2020 financial year, as the provisions that prevented compliance with the condition established for such recovery have been reversed.

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

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

b) 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.

c) 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.

The Ordinary General Shareholders' Meeting held on 31 March 2022 approved the remuneration policy for the Company's directors, with a period of validity for the years 2022, 2023 and 2024. Although the period of validity of the policy has not expired in financial year 2023, the Board of Directors, following a favourable report from the appointments and remuneration committee, has resolved to submit to the shareholders at the 2023 general shareholders' meeting the approval of a new remuneration policy, which will come into force on the date of its approval by the General Shareholders' Meeting and will remain in force until 31 December 2026, without prejudice to any adaptations or updates that may be made by the Board of Directors in accordance with the provisions thereof and any amendments that may be approved from time to time by the general shareholders' meeting of the Company.

The proposed new Policy, although in line with the current policy approved by the General Shareholders' Meeting of 31 March 2021, introduces some modifications regarding the remuneration of the Chief Executive Officer and the definition of a new long-term incentive.

Fixed remuneration of the Chief Executive Officer

After an in-depth analysis of the chief executive officer's remuneration elements, the appointments and remuneration committee proposes setting the fixed remuneration at €750,000, representing a 12.93% increase (1.22% in annualised terms).

The reasons for the Committee to propose such an increase are set out in the CNR's report on the Directors' remuneration policy and in section 2 of the policy.

Long-Term Incentive

With regard to long-term incentives, the new remuneration policy generally regulates the framework within which the Company's long-term remuneration plans must be approved, including the new long-term incentive plan for 2023 to 2027. This new plan coexists with the current plan described in section A.1.6 of this report, since it begins before the end of the second cycle of the Long-Term Incentive Plan for the financial years 2019 to 2023, so it has been established that, from the incentive resulting from the first cycle of the new Plan, one fifth (1/5) of the amount that, if applicable, is received from the 2019-2023 ILP Plan will be deducted.

Format

Finally, improvements to the format and content of the Policy in line with best practice in this area have also been considered desirable.

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 twelve of the Agenda of the General Shareholders' Meeting held on 31 March 2022, relating to the consultative vote on the Annual Remuneration Report for 2021, 137,119,797 valid votes were cast, representing 55.67% of the share capital with a voting right. It was approved by a majority of 135,674,714 votes (98.94% of the votes cast).

Taking into account the percentage of votes in favour of the 2021 report, the Company understands that the measures adopted aimed at completing the information provided in the Report continue to be positively received by the shareholders, who have shown their majority support and have once again revalidated their approval with a very high percentage of approval, reaching almost 100% of the votes cast.

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

B1.1. 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 2022, on 18 January 2022 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 24 January 2022.

The fixed remuneration of the Chief Executive Officer for their executive duties amounts to €664,125 in accordance with the remuneration provided for in their service contract and the remuneration policy in force.

The "Fixed Remuneration" of the chairman of the board reported in section C of this report (€135,000) 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.

The total short-term variable remuneration for the period 2022 corresponded to a total of €473,100.

All the remuneration components indicated in section C were also reviewed by the appointments and remuneration committee on 24 January 2022, which applied the items and amounts provided for in the directors remuneration policy and approved by the board of directors on 28 February 2022.

B1.2. Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

There have been no deviations from the established procedure.

B1.3. Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No temporary exceptions have been applied.

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, 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. Ensure 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 2022, 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 54% for their position as Chairman and for executive functions, and the annual variable remuneration represents 46%, which corresponds to the short and long-term variable remuneration.

The variable remuneration for 2022 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 2022, 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.

B.3 Explain how the remuneration accrued and consolidated over the financial the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

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 the remuneration elements stated above: (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 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.

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.

Regarding the contribution of accrued remuneration to the long-term and sustainable performance of the Company, it should be noted that accrued remuneration is determined in accordance with the remuneration policy and is designed in a manner consistent with the Company's strategy and long-term performance orientation:
? Executive Directors' remuneration is composed of different remuneration elements, mainly fixed remuneration, short-term variable remuneration and long-term variable remuneration. In a scenario of standard compliance with the objectives associated with annual and multi-year variable remuneration, fixed remuneration represents around 40% of total compensation.

? Regarding the metrics established, the Short-Term Variable Remuneration sets specific and quantifiable financial and non-financial objectives, linked to the Company's social interest and sustainable growth. Long-term Variable Remuneration is linked to objectives that are directly related to the growth of the company, the generation of shareholder value and focuses specifically on the working environment and sustainability, through the setting of a specific index composed of 10 objectives that address material issues for the company.

? Long-term variable remuneration schemes 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 designed long-term incentive in force 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 Executive Director towards achieving the business targets committed to in the 2019-2023 strategic plan.

? Shares awarded to the Executive Director in an amount equal to twice their annual fixed remuneration under the long-term incentive are subject to a 3-year holding period.

With regard to the balance between fixed and variable components of remuneration, it should be noted that the variable remuneration system is flexible and allows that in case of non-achievement of minimum performance levels, no variable remuneration is paid, and is therefore not guaranteed. The percentage of short- and long-term variable remuneration can be relevant if the maximum level of target achievement is reached.

Moreover, measures that help to avoid excessive risk-taking and foster a culture of commitment to objectives include:
? The corporate governance system, internal regulations and control and compliance systems, which set oversight mechanisms and checks and balances to prevent the concentration of decision-making power in areas that may involve a high degree of risk.
? The Annual Variable Remuneration is paid after the date of drafting and auditing the annual accounts and after determining the achievement degree of the objectives.

? Payment deferral periods, where applicable, are established for the two cycles of the long-term incentive. ? The Executive Director’s contract incorporates malus and clawback clauses. ? In relation to measures aimed at avoiding conflicts of interest on the part of Directors, the regulations of the Board of Directors establish a number of obligations deriving from their duties of loyalty and avoiding situations of conflict of interest. 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. 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 and contribute to the long-term, sustainable performance of the Company.

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 in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	137,119,797	55.67

	Number	% of votes cast
Votes against	137,929	0.10
Votes in favour	135,674,714	98.95
Blank ballots		0.00
Abstentions	1,307,154	0.95

Observations

B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director 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 2022 remains unchanged at €44,500, and the fixed remuneration for the Chairman of the board at €135,000. The amount of the daily allowance for attending meetings of the Board and its committees in financial year 2022 is maintained at the same amounts as for the previous fiscal year and are as follows: 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 attendance fee.

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 for executive functions, in accordance with the terms of the service contract and the remuneration policy, amounts to €664,125. In addition, during financial year 2022, the chief executive officer received €135,000 corresponding to the fixed remuneration for his position as chairman of the board, as stated in the remuneration policy. The above amounts indicated for the Chief Executive Officer for both their chairmanship and executive duties remain unchanged from the previous year.

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:

a) 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.

b) 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.

c) 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).

d) 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. 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. The 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 setting of the annual objectives of the Chief Executive Officer for financial year 2022 was reported on favourably by the Appointments and Remuneration Committee at its meeting of 24 January 2022 and approved by the Board at its meeting of 25 January 2022, and the assessment of their level of compliance was reported favourably by the committee at its meeting of 18 January 2022 and approved by the Board of Directors at its meeting of 24 January 2022, following confirmation by the internal auditor.

The targets set for 2022, their weighting, and the level of achievement were as follows:

Ence total free cash flow (weight 40%) Points 48
Cellulose Cash Cost (weight 12.5%) – the minimum level of the target fixed Ence Energía Cash Cost (weight 12.5%) – the minimum level of the target fixed is not reached
Cellulose Production Volume (weight 10%) – the minimum level of the target fixed is not reached
MWh sales in Ence Energía (weight 10%) – the minimum level of the target fixed is not reached
Organisational Climate (weight 5%) – Points 5.50
Occupational Safety (weight 5%) – Points 2.55
Improved environmental performance (weight 2.5%) – Points 3

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.

In particular, the overall level of achievement of the objectives associated with the annual variable remuneration of the CEO in 2022 was 71.24%.
A level of achievement of 59.05% corresponds to the quantitative objectives and 24% to the qualitative objective.

The overall management of the Chief Executive Officer during financial year 2022 has been assessed very positively, having approved a level of achievement of 120% of the qualitative objective, especially with regard to the actions taken and operational measures adopted facing the exceptional circumstances that arose during the year (war in Ukraine, inflation of uncertainty regarding the situation of the Pontevedra biofactory), highlighting the leadership of the CEO in the search for alternatives that have managed to mitigate the negative effects of these circumstances for the Company, and the management capacity shown in an environment of great uncertainty in both international and domestic markets. In addition, during the last few months of the year, the CEO has had to make
an additional effort to manage the energy business as a consequence of the transition process that has taken place due to the replacement of Magnon's Chief Executive, which has been successfully completed.

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 and establish a deferral period for payment of the incentive once accrued.

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 2022-2024 Directors Remuneration Policy and detailed in section A of this report.

The incentive for Cycle I was paid in July 2022, following an assessment by the CNR at its meeting of 10 June 2022 of the degree to which the objectives of the first Cycle had been met. The level of compliance was 14.8%, where a cash payment of €59,000 and the delivery of 23,712 shares of the Company corresponded to the CEO, equivalent (at the date of delivery) to an amount of €77,000.

The reasons for the low level of compliance have been due to the Spanish State Administration's acquiescence in the proceedings against the extension of the Pontevedra concession, which have prevented the investments foreseen in the strategic plan from being carried out; the situation caused by the pandemic and, subsequently, by the increase in costs. This is in addition to the fact that one of the objectives of the 2019-2023 long-term plan, with a weight of 45%, is the synthetic EBITDA, described on page 13 of this report, which has been stressed with a lower cash cost and has been calculated with a synthetic price in dollars and not with the real price, which has been much higher.

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 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 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 Company's contribution to the benefit system defined in 2022 has been
€184,000. 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 by the resignation of the Chief Executive Officer in accordance with the terms of the contract, except in the case of termination due to a change of control; and (b) such termination occurs at an age of 62 years or older. 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 2022 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.

There have been no modifications during the year.

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 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. 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 in cost in the event that the CEO's contribution exceeds the aforementioned limit, the risks covered by the insurance being the following: 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 2022 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 and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other concepts" heading in Section C.

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	Period of accrual in year n
Mr IGNACIO DE COLMENARES BRUNET	Chief Executive Officer	From 01/01/2022 to 31/12/2022
Ms ROSALÍA GIL-ALBARELLOS MARCOS	Independent Director	From 31/03/2022 to 31/12/2022
Mr JOSE GUILLERMO ZUBIA GUINEA	Other External Director	From 01/01/2022 to 31/12/2022
Ms IRENE HERNANDEZ ALVAREZ	Coordinating Advisor	From 01/01/2022 to 31/12/2022
Mr FERNANDO ABRIL MARTORELL HERNANDEZ	Other External Director	From 01/01/2022 to 31/12/2022
Ms CARMEN AQUERRETA FERRAZ	Independent Director	From 31/03/2022 to 31/12/2022
Ms ROSA MARIA GARCIA PIÑEIRO	Independent Director	From 01/01/2022 to 31/12/2022
Mr ANGEL AGUDO VALENCIANO	Proprietary Director	From 31/03/2022 to 31/12/2022
Mr JAVIER ARREGUI ABENDIVAR	Proprietary Director	From 01/01/2022 to 31/12/2022
Mr GORKA ARREGUI ABENDIVAR	Proprietary Director	From 01/01/2022 to 31/12/2022
Mr OSCAR ARREGUI ABENDIVAR	Proprietary Director	From 01/01/2022 to 31/12/2022
Mr JOSE IGNACIO COMENGE SANCHEZ REAL	Proprietary Director	From 01/01/2022 to 31/12/2022
Ms MARIA PAZ ROBINA ROSAT	Independent Director	From 01/01/2022 to 31/12/2022
Ms ISABEL TOCINO BISCAROLASAGA	Independent Director	From 01/01/2022 to 31/03/2022
Mr VICTOR URRUTIA VALLEJO	Proprietary Director	From 01/01/2022 to 31/03/2022
Ms MIREN AMAIA GOROSTIZA TELLERIA	Independent Director	From 01/01/2022 to 31/03/2022

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	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year 2022	Total year 2021
Mr IGNACIO DE COLMENARES BRUNET	135			664	473	59		6	1337	666
Ms ROSALÍA GIL-ALBARELLOS MARCOS	33	18	24					2	77	
Mr JOSE GUILLERMO ZUBIA GUINEA	45	26	45					2	118	152
Ms IRENE HERNANDEZ ALVAREZ	45	26	61					2	134	144
Mr FERNANDO ABRIL MARTORELL HERNANDEZ	45	24	36					3	108	130
Ms CARMEN AQUERRETA FERRAZ	33	20	15					1	69	

Ms ROSA MARIA GARCIA PIÑEIRO	45	26	41					2	114	116
Mr ANGEL AGUDO VALENCIANO	33	20	12					1	66	
Mr JAVIER ARREGUI ABENDIVAR	45	26	36					3	110	80
Mr GORKA ARREGUI ABENDIVAR	45	26	33					1	105	86
Mr OSCAR ARREGUI ABENDIVAR	45	26	27					1	99	104
Mr JOSE IGNACIO COMENGE SANCHEZ REAL	45	26	21					3	95	110
Ms MARIA PAZ ROBINA ROSAT	45	26	37					2	110	71
Ms ISABEL TOCINO BISCAROLASAGA	11	6	15						32	115
Mr VICTOR URRUTIA VALLEJO	11	6						1	18	81
Ms MIREN AMAIA GOROSTIZA TELLERIA	32								32	107

Observations

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

Name	Name of plan	Financial instruments at start of year 2022		Financial instruments granted during year 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
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
	2019-2023 Long-Term Incentive Plan (Cycle I)	208,286	208,286	23,712	23,712	23,712	23,712	3.30	77	184,574	23,712	23,712

Observations
The figure of 208,286 is the maximum number of shares that correspond to Mr Colmenares in Cycle I (2019-2021) in the case of reaching the maximum level (130%) of the Plan. For the target compliance level (100%), the number of shares Mr Colmenares would receive is 160,220. The figure of 312,428 is the maximum number of shares that correspond to Mr Colmenares in Cycle I (2019-2023) in the case of reaching the maximum level (130%) of the Plan. For the target compliance level (100%), the number of shares Mr Colmenares would receive on the expected payment date for Cycle I is 240,330. In 2022, Mr Colmenares has received 23,712 shares in relation to Cycle I of the 2019-2023 ILP.

iii) Long-term savings schemes

Name	**Remuneration from vesting of rights to savings schemes**

Mr IGNACIO DE COLMENARES BRUNET	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Year 2022		Year 2021	
	Year 2022	Year 2021	Year 2022	Year 2021	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
Mr IGNACIO DE COLMENARES BRUNET			219	221		1,581		1,528

Observations
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 2022 was €35,000, the same amount as in 2021. The amount of funds accumulated in 2022 under this scheme is €578,000. The Company's contribution to the benefit system defined in 2022 was €184,000 and in 2021 it was €186,000. The amount of funds accumulated in 2022 under this scheme is €1,002,750. 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.

iv) Details of other items

Name	Concept	Amount of remuneration
Ms ROSALÍA GIL-ALBARELLOS MARCOS	Accident insurance and medical examination	3
Mr JOSE GUILLERMO ZUBIA GUINEA	Accident insurance and medical examination	2
Ms IRENE HERNANDEZ ALVAREZ	Accident insurance and medical examination	2
Mr FERNANDO ABRIL MARTORELL HERNANDEZ	Accident insurance and medical examination	3
Ms CARMEN AQUERRETA FERRAZ	Accident insurance and medical examination	1
Ms ROSA MARIA GARCIA PIÑEIRO	Accident insurance and medical examination	2
Mr ANGEL AGUDO VALENCIANO	Accident insurance and medical examination	1
Mr JAVIER ARREGUI ABENDIVAR	Accident insurance and medical examination	3

Mr GORKA ARREGUI ABENDIVAR	Accident insurance and medical examination	1
Mr OSCAR ARREGUI ABENDIVAR	Accident insurance and medical examination	1
Mr JOSE IGNACIO COMENGE SANCHEZ REAL	Accident insurance and medical examination	3
Ms MARIA PAZ ROBINA ROSAT	Accident insurance and medical examination	2
Ms ISABEL TOCINO BISCAROLASAGA	Accident insurance and medical examination	
Mr VICTOR URRUTIA VALLEJO	Accident insurance and medical examination	1
Ms MIREN AMAIA GOROSTIZA TELLERIA	Accident insurance and medical examination	
Mr IGNACIO DE COLMENARES BRUNET	Vehicle	3
Mr IGNACIO DE COLMENARES BRUNET	Medical insurance	2
Mr IGNACIO DE COLMENARES BRUNET	Medical examination	1

Observations

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

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year 2022	Total year 2021
Mr IGNACIO DE COLMENARES BRUNET										

Observations
Ignacio de Colmenares Brunet is the only director who is an individual representative, sole director, joint and several administrator or director of other group companies, but does not receive any remuneration for the performance of his duties.

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

Name	Name of plan	Financial instruments at start of year 2022		Financial instruments granted during year 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
No data												

Observations

iii) Long-term savings schemes

Name	Remuneration from vesting of rights to savings schemes
No data	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Year 2022		Year 2021	
	Year 2022	Year 2021	Year 2022	Year 2021	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
No data								

Observations

iv) Details of other items

Name	Concept	Amount of remuneration
No data		

Observations

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 accruing in the Company					Remuneration accruing in group companies					
Name	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2022, company	Total cash remuneration	Gross benefit of vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2022, group	Total in year 2022, company + group
Mr IGNACIO DE COLMENARES BRUNET	1337	77			1414						1414
Ms ROSALÍA GIL-ALBARELLOS MARCOS	77				77						77
Mr JOSE GUILLERMO ZUBIA GUINEA	118				118						118
Ms IRENE HERNANDEZ ALVAREZ	134				134						134
Mr FERNANDO ABRIL MARTORELL HERNANDEZ	108				108						108
Ms CARMEN AQUERRETA FERRAZ	69				69						69
Ms ROSA MARIA GARCIA PIÑEIRO	114				114						114
Mr ANGEL AGUDO VALENCIANO	66				66						66
Mr JAVIER ARREGUI ABENDIVAR	110				110						110
Mr GORKA ARREGUI ABENDIVAR	105				105						105
Mr OSCAR ARREGUI ABENDIVAR	99				99						99
Mr JOSE IGNACIO COMENGE SANCHEZ REAL	95				95						95
Ms MARIA PAZ ROBINA ROSAT	110				110						110
Ms ISABEL TOCINO BISCAROLASAGA	32				32						32
Mr VICTOR URRUTIA VALLEJO	18				18						18
Ms MIREN AMAIA GOROSTIZA TELLERIA	32				32						32
TOTAL	2.624	77			2.701						2.701

Observations
In relation to the amount received by the group of directors for their status as such in fiscal year 2022, which amounts to €1,354,910, it should be noted that this figure does not exceed the maximum limit established by the general shareholders' meeting, set at €1,900,000.

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year 2022	**% variation 2022/2021**	**Year 2021**	**% variation 2021/2020**	**Year 2020**	**% variation 2020/2019**	**Year 2019**	**% variation 2019/2018**	**Year 2018**
Executive directors									
Mr IGNACIO DE COLMENARES BRUNET	1,414	112,31	666	-47.10	1,259	-14.30	1,469	33.18	1,103
External directors									
Mr ANGEL AGUDO VALENCIANO	66	-	0	-	0	-	0	-	0
Mr FERNANDO ABRIL MARTORELL HERNANDEZ	107	-17.69	130	9.24	119	16.67	102	-8.11	111
Mr JOSE GUILLERMO ZUBIA GUINEA	118	-22.37	152	2.70	148	11.28	133	-3.62	138
Ms CARMEN AQUERRETA FERRAZ	69	-	0	-	0	-	0	-	0
Mr JOSE IGNACIO COMENGE SANCHEZ REAL	94	-14.55	110	n.s	6	-	0	-	0
Ms ROSA MARIA GARCIA PIÑEIRO	114	-1.72	116	-1.69	118	16.83	101	60.32	63
Ms IRENE HERNANDEZ ALVAREZ	134	-6.94	144	10.77	130	103.13	64	-	0
Ms ROSALÍA GIL-ALBARELLOS MARCOS	77	-	0	-	0	-	0	-	0
Mr GORKA ARREGUI ABENDIVAR	98	-6.67	105	-	0	-	0	-	0
Mr JAVIER ARREGUI ABENDIVAR	110	37.50	80	-	0	-	0	-	0
Mr OSCAR ARREGUI ABENDIVAR	98	-6.67	105	-	0	-	0	-	0
Ms MARIA PAZ ROBINA ROSAT	110	54.93	71	-	0	-	0	-	0
Ms MIREN AMAIA GOROSTIZA TELLERIA	32	-70.09	107	16.30	92	50.82	61	-	0
Ms ISABEL TOCINO BISCAROLASAGA	32	-72.17	115	-6.50	123	6.96	115	6.48	108
Mr VICTOR URRUTIA VALLEJO	18	-77.78	81	8.00	75	1.35	74	-10.84	83
Consolidated results of the company									
	248	-	-193	-421.62	-37	-	11	-93.64	173
Average employee remuneration									
	63	10.53	57	-8.06	62	-7.46	67	11.67	60

Observations

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.

This annual remuneration report was approved by the Board of Directors of the company in its meeting of 31/03/2023.

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

Yes ☐ No √

Name or company name of any member of the Board of Directors not voting in favour of the approval of this report	Reasons (against, abstention, non attendance)	Explain the reasons