

**REMUNERATION POLICY OF THE BOARD MEMBERS OF
PUIG BRANDS, S.A.**

*[English translation for information purposes only
In case of discrepancy, the Spanish version shall prevail]*

L'Hospitalet de Llobregat (Barcelona) April 5, 2024

1 Introduction

Royal Legislative Decree 1/2010, of July 2, 2010, approving the revised text of the Spanish Companies Act (hereinafter, the "**Spanish Companies Act**") establishes, among other aspects, that listed companies must have in place a remuneration policy for their board members.

In accordance with the provisions of articles 529 *novodecies* of the Spanish Companies Act, the remuneration policy has been proposed by the Board of Directors and will be approved by the General Shareholders' Meeting, as a separate item on the agenda.

This document contains the remuneration policy (the "**Remuneration Policy**" or the "**Policy**") applicable to the members of the Board of Directors of the company Puig Brands, S.A. ("**Puig Brands**" or the "**Company**"), which identifies, incorporates and regulates, among other aspects, the general principles of the Remuneration Policy, the procedures for establishing and approving that Policy, the frequency with which it should be reviewed, its general characteristics, its compatibility with the adequate and effective management of risk, and with the Company's strategy, targets, values and long-term interests, as well as the different remuneration schemes applied.

2 Term of validity

This Remuneration Policy will enter into force upon the effective admission to trading of the Company's Class B shares on the Spanish Stock Exchanges (the "**Admission**") and will remain in force for the following three fiscal years. Therefore, the Remuneration Policy will be applicable from the Admission for fiscal year 2024, and throughout fiscal years 2025 and 2026.

Despite the above, the General Shareholders' Meeting of the Company may agree to modify or replace the Remuneration Policy at any time during that period at the proposal of the Board of Directors following a favorable report from the Appointments and Remuneration Committee.

The new changes introduced by this Policy will apply to remuneration granted as of the approval date of the Policy.

3 Purpose of the Remuneration Policy

As part of the remuneration system provided for in the by-laws, the main purpose of this Policy is to put in place a framework for the remuneration of the members of the Company's Board of Directors that establishes a remuneration system compatible with the business strategy, targets, values, sustainability and long-term interests of Puig Brands, both in absolute terms and compared with the sector as a whole.

According to the above, the Policy's practical implementation has been designed based on the following goals:

- (i) Attract, retain and motivate the contribution of the professionals that the Company requires to cover the full spectrum of knowledge, skills and experience needed on its Board of Directors, thereby ensuring that it has access to suitable candidates to perform the duties of the position, according to the applicable regulations;

- (ii) Enhance the remuneration's coherence through effective risk management;
- (iii) Prevent possible conflicts of interest;
- (iv) Motivate and reinforce the attainment of the Company's results;
- (v) Define and control, in a clear and concise manner, the Company's remuneration practices with respect to its board members; and
- (vi) Promote the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking and the rewarding of unfavorable results.

According to the above, the Remuneration Policy seeks to establish a remuneration system appropriate to the dedication and responsibility assumed and aims to attract, retain and motivate the most outstanding professionals to enable the Company to meet its strategic aims within the increasingly competitive framework in which its activities are carried out.

In compliance with article 217.4 of the Spanish Companies Act, the remuneration will be reviewed periodically to ensure that it is in reasonable proportion to the size and importance of the Company, its economic situation and market standards for comparable companies at the national and international level.

4 Basic principles of the Remuneration Policy

The guiding principle of the Remuneration Policy of Puig Brands is the search for the reciprocal creation of value for the Company and for the Company's board members and employees and the alignment of their interests with those of the shareholders, ensuring the transparency of its Policy. The Board of Directors will adopt the necessary measures to ensure good governance and transparency in the remuneration of board members. Additionally, the Board of Directors, in its supervisory function, will adopt and periodically review the general principles of the Remuneration Policy and will be responsible, together with the Appointments and Remuneration Committee, for ensuring its effective and correct application.

In any case, the Remuneration Policy will be appropriately adapted with the economic cycle and the international context.

Based on the above, the remuneration of the board members is governed by the principles described below.

4.1 Principles applicable to the board members' remuneration system

- (i) Remuneration must be sufficient and appropriate to the dedication, qualifications and responsibilities of the board members, but such remuneration must not compromise their independence of judgment.
- (ii) Remuneration, in terms of its structure and overall amount, must comply with best practices and be competitive in relation to other comparable entities to attract, retain and motivate the best professionals.
- (iii) Board members' remuneration in that capacity must not include variable components.

- (iv) The Policy will be compatible with adequate and effective risk management, promoting this type of management and not offering incentives to assume risks that exceed the level of risk tolerated by the Company.

4.2 Principles applicable to the board members' remuneration system with respect to their executive duties

- (i) In establishing the remuneration conditions for executive board members described in this Policy, the remuneration system applicable to the employees of Puig Brands has been taken into account.

Specifically, this Policy aims to align with the Company's general remuneration system, seeking in all cases to encourage the commitment to the Company by all professionals, the personal and corporate ethics, and the promotion of strategic and sustainable development objectives.

In this sense, this Policy is aligned with the system applicable to the rest of the Company's employees, rewarding them for the value they contribute and sharing the following general principles:

- Total remuneration: Puig Brands's remuneration package may consist of fixed and variable components, as well as remuneration in kind and other welfare benefits. In any case, to ensure the external competitiveness of all employees, remuneration is reviewed periodically against a group of companies comparable to Puig Brands .
 - Meritocracy: non-discrimination based on gender, age, culture, religion or race is guaranteed in the application of remuneration practices and policies. In this regard, Puig Brands's professionals are remunerated in a manner consistent with the level of responsibility, leadership and performance level within the organization, favoring the retention of key professionals and the attraction of the best talent.
 - Performance-related: a significant portion of the total remuneration of executive board members is of a variable nature. Specifically, (i) there is a significant annual variable component linked to performance and the attainment of specific, predetermined, quantifiable targets aligned with the corporate interest and the Company's strategic and sustainable development aims; and (ii) a multi-year or long-term component that seeks to strengthen and encourage the attainment of the Company's long-term strategic aims, reinforcing continuity in the competitive development of its executive board members and its management team, fostering a motivating and loyalty-building effect to retain the best professionals.
- (ii) Remuneration must be established with objective criteria in relation to the individual performance of executive board members, seeking to encourage the commitment to the Company by all professionals, the personal and corporate ethics, and the promotion of strategic and sustainable development aims.
- (iii) This Remuneration Policy seeks to avoid excessive assumption of risk by executive board members in the performance of their duties by including, where

appropriate, the necessary precautions to ensure the cancellation or the ability to claw back any variable remuneration as provided for in section 7.4.

- (iv) The Remuneration Policy seeks alignment with shareholders by encouraging the holding of shares by executive board members, as stipulated in section 7.6.

5 Remuneration of board members for their capacity as such

The remuneration of the board members for their capacity as such, that is, for performing supervisory and collective decision-making tasks within the Board of Directors, is detailed in this section.

Article 21 of the Company's by-laws establishes that board members will be remunerated, in their capacity as such, according to the applicable regulations, the Company's by-laws, the Regulations of the Board of Directors and this Remuneration Policy.

In this way, the Company's by-laws establish that the remuneration of the board members, in their capacity as such, will consist of a fixed amount, which may be paid in cash or in shares of the Company or shares or units ("*participaciones sociales*") of invested companies or a combination of both, which may be different for each of them depending on the time effectively dedicated to corporate management, and may be payable in more than one (1) year. If applicable, the remuneration may include per diems for time dedicated to and attendance at the meetings of the board of directors and the delegated or advisory committees to which they are members.

In addition, and regardless of the above, the Company's by-laws establish that all the members of the Board of Directors, depending on their responsibility, dedication or other relevant circumstances, may be remunerated, subject to a resolution of the general shareholders' meeting and according, where applicable, to the provisions of the remuneration policy of board members, through the delivery of shares of the Company, or shares or units ("*participaciones sociales*") of invested companies, or option rights on such shares or units ("*participaciones sociales*"), or through remuneration indexed to the value of those shares or units ("*participaciones sociales*").

5.1 Maximum amount

In accordance with the provisions of article 21 of the Company's by-laws, it is established that the maximum amount of the annual remuneration to be paid to all board members, in their capacity as such, will be EUR 3,500,000. This maximum amount will remain unchanged during the term of validity of the Policy as long as the General Shareholders' Meeting does not approve its modification.

Unless the General Shareholders' Meeting determines otherwise, the distribution of remuneration among the board members in their capacity as such will be established by resolution of the Board of Directors, following a report from the Appointments and Remuneration Committee, which must take into consideration the functions and responsibilities attributed to each board member, including their membership and attendance at the committees of the Board of Directors and the board member's classification as an executive, independent, proprietary or other external board member.

The above maximum limit does not include: (i) any salary, remuneration or payment made under any other concept to the board members and, in particular, for the performance of

executive functions; (ii) payments of civil liability insurance premiums that the Company may contract for its board members; and (iii) any reimbursement of current expenses incurred by the board members to attend meetings of the Board of Directors or any of its Committees.

5.2 Remuneration items

According to the above provision of the Company's by-laws, the remuneration system for board members in their capacity as such (excluding executive board members) consists of the remuneration items reflected in this section.

Specifically, within the limit established in section 5.1, the board members in their capacity as such (excluding executive board members) will receive the following fixed remuneration:

- (i) A fixed annual amount for the performance of duties on the Board of Directors, as follows:
 - Chairman: no amount assigned.
 - Lead director, if any: EUR 40,000.
 - Vice-Chairman: EUR 130,000.
 - Members (including Vice-Chairman and Lead director): EUR 85,000.
- (ii) An additional fixed annual amount in the event of belonging to any of the existing committees of the Board of Directors, as follows:
 - Chairman of the Audit Committee: EUR 40,000.
 - Members of the Audit Committee: EUR 30,000.
 - Chairman of the Appointments and Remuneration Committee: EUR 35,000.
 - Members of the Appointments and Remuneration Committee: EUR 25,000.
 - Chairman of the Sustainability and Social Responsibility Committee: EUR 35,000.
 - Members of the Sustainability and Social Responsibility Committee: EUR 25,000.

For fiscal year 2024 only, the Board of Directors shall increase the fixed remuneration resulting from the application of the criteria set forth in the preceding paragraph (excluding non-executive family directors): (i) by 100% for those directors who, as of December 31, 2024, have been members of the Board of Directors of the Company for a period equal to or greater than three (3) years; and (ii) by 50% for those directors who, as of December 31, 2024, have been members of the Board of Directors of the Company for a period equal to or greater than one (1) year but less than three (3) years. For these purposes and for the computation of years, the period in which they have been members of the Board of Directors of Puig, S.L. shall be taken into account.

The Board of Directors, following a report from the Appointments and Remuneration Committee, may modify the above remuneration amounts within the limits of the maximum

annual remuneration amount to be paid to all board members in their capacity as such, approved by the General Shareholders' Meeting.

This fixed remuneration may be paid in cash, shares of the Company or shares or units ("*participaciones sociales*") of invested companies or a combination of both. If it is paid through the delivery of shares or units ("*participaciones sociales*"), it must be carried out according to the resolution of the General Shareholders' Meeting approved for such purpose.

Where the fixed remuneration described in this section is paid in shares of the Company or, otherwise, the board members receive shares of the Company as part of their remuneration, the board members shall hold them until they cease in their position as board member. The above shall not apply to any shares that the board member may be required to dispose of to pay the costs related to their acquisition, if applicable.

Where applicable, board members will receive per diems for the time dedicated to and attendance at the meetings of the Board of Directors and the Committees to which they belong within the maximum amount established in section 5.1.

The remuneration system, as well as the details of the remuneration, will be broken down on an annual basis in the corresponding Annual Report on Remuneration of Board members.

6 Remuneration structure of executive board members for the performance of executive duties

The remuneration to be received by executive board members for the performance of executive duties in the Company is detailed in this section.

In accordance with the provisions of article 21 of the Company's by-laws, when a member of the board of directors is appointed Managing Director (CEO) or is attributed executive functions by virtue of another title, a contract must be entered into between that person and the Company according to the Spanish Companies Act, the Company's by-laws and this Remuneration Policy and must be approved by a two-thirds majority of the board members, without the affected board member being able to attend the deliberation of the contract or participate in the voting.

The relevant contract will detail all the items for which remuneration may be obtained for the performance of the position, which will be formed of one or more of the following items: the remuneration items mentioned in the preceding sections; a fixed amount; a variable amount based on the degree of compliance with qualitative or quantitative targets agreed by the board of directors and which may be annual or multi-year in nature, including through participation in incentives schemes; per diems for dedication and attendance at meetings of the board of directors and the delegated or advisory committees to which the executive board members belong; remuneration consisting of the delivery of shares of the Company, or shares or participations of companies in which the Company has an interest, or of option rights thereon, or by means of remuneration indexed to the value of the shares or holdings; compensation in kind (including civil liability, accident, life, health or vehicle insurance); contributions to savings or social welfare systems or insurance premiums; indemnities for removal, separation or any other form of termination of the contractual relationship with the Company that is not due to a breach attributable to the board member

or due to voluntary withdrawal by the board member; compensation for exclusivity agreements, post-contractual non-competition agreements or minimum commitment or loyalty agreements; and recruitment bonuses or payment of previous contracts.

Board members with executive functions may not receive any remuneration for the performance of executive functions whose amounts or concepts are not provided for in the relevant contract.

In compliance with the above, the remuneration system for the executive board members of Puig Brands consists of the following remuneration items, which are developed in the respective contracts approved according to article 249 of the Spanish Companies Act:

- Annual fixed remuneration
- Annual variable remuneration
- Long-term variable remuneration
- Welfare benefits
- Remuneration in kind
- Additional extraordinary incentives

The remuneration package of executive board members is based mainly on variable remuneration, such that the majority of the total remuneration amount is received only if the short- and long-term targets established in the variable remuneration are met. This remuneration structure is consistent with the "*pay for performance*" principle.

Consequently, it is possible that executive board members may not receive any amount whatsoever for variable remuneration if the minimum thresholds are not met. The percentage of short- and long-term variable remuneration is significant in relation to the total remuneration. In any case, this percentage with respect to the maximum total remuneration (which, for these purposes, is considered to be the sum of the annual fixed remuneration, the maximum amount of the annual variable remuneration and the maximum amount of the long-term variable remuneration) is capped at a maximum of 87.80%.

6.1 Annual fixed remuneration

Executive board members will be entitled to receive a fixed remuneration for the higher level of dedication and responsibility involved in the performance of their duties. This part of the remuneration must be in line with that paid in the market by comparable companies.

The fixed remuneration will be determined according to the responsibility, hierarchical position and experience of each executive board member, bearing in mind the specific characteristics of each function and the time dedication required, all in order to establish a competitive salary base that attracts and retains talent, thereby contributing to the creation of value.

As of the date of this Remuneration Policy, there is only one executive board member, the Managing Director (CEO), who will receive a fixed annual amount for the performance of executive duties. For fiscal year 2024, the fixed remuneration of the Managing Director (CEO) for the performance of executive duties amounts to EUR 1,752,192.

This amount may be updated each year by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, in line with the salary increases of the Company's other employees. An increase that is significantly higher than the average of the general policy applicable to employees may be implemented in circumstances such as, but not limited to, substantial changes in the business, skills or responsibilities and exceptional performance by the company. In these circumstances, the Board of Directors, following a report from the Appointments and Remuneration Committee, may choose to apply a significantly higher increase, which will be detailed and explained in the relevant Annual Report on Remuneration of Board members.

6.2 Annual variable remuneration

The main aim of the variable remuneration is to incentivize performance by aligning it with the targets set by the Company, while promoting sound and effective risk management that prevents the variable remuneration from creating incentives for excessive risk-taking behaviors by individuals.

Variable remuneration emerges as an additional and complementary remuneration to the fixed remuneration. It is a contingent, non-consolidable remuneration linked to the achievement of targets according to the guidelines approved by the Board of Directors. This remuneration assesses, on an annual basis, the contribution of each board member to the achievement of the Company's predetermined, specific and quantifiable targets.

6.2.1 Amount and targets

The annual variable remuneration of the executive board members is established as a percentage of their fixed remuneration, which, as a general rule, will range between 100% and 120% of the annual fixed remuneration for a scenario in which 100% of the targets are achieved. This percentage may be increased to up to 200% in a scenario of maximum achievement of the established targets.

No significant variations in the annual variable remuneration established in the previous section are expected during the term of the Policy. In any case, the annual variable remuneration of the executive board members may be reviewed based on their progress and consolidation in the position, the evolution of the Company's results, and other factors that the Appointments and Remuneration Committee considers appropriate. If this is the case, the Board of Directors must approve this adjustment, at the proposal of the Appointments and Remuneration Committee, and a proper explanation will be given in the corresponding Annual Report on Remuneration of Board members. The percentage indicated above is set according to certain annual Company targets that are qualitative and quantitative, specific, predetermined and quantifiable and established by the Board of Directors. Specifically, this percentage will be linked to the targets established by the Board of Directors for each fiscal year, upon the proposal of the Appointments and Remuneration Committee, in line with the Company's strategic plan, including, among others:

- (i) Economic and financial targets;
- (ii) Operational and/or profitability targets;
- (iii) Non-financial targets (which may include environmental, social and corporate governance targets);

- (iv) Other quantitative and qualitative targets linked to the Company's strategic plan.

In any case, the variable remuneration incorporates necessary precautions to ensure that such remuneration is related to the beneficiary's professional performance and does not simply derive from the general evolution of the stock markets or the Company's sector of activity.

6.2.2 Calculation and payment

The individual amount corresponding to the annual variable remuneration will be determined by the Board of Directors, following a favorable report from the Appointments and Remuneration Committee. To calculate the amount of the annual variable remuneration, the Appointments and Remuneration Committee will consider: (i) the degree of achievement and the weighting of each of the targets individually; and (ii) the overall degree of achievement of the targets as a whole. For this purpose, the procedures for evaluating the targets established by the Company will be applied. In this evaluation task, the Appointments and Remuneration Committee may seek the advice of other committees and departments of the Company, which provide information on the financial and non-financial results, as well as information related to environmental, social and corporate governance factors.

As regards assessing the achievement of these targets, the Appointments and Remuneration Committee may adopt subjective criteria to accommodate situations such as, but not limited to, mergers, acquisitions, disposals, currency exchange rate movements, changes in accounting treatment, significant one-time tax settlements and significant changes in the macroeconomic environment or a major impact on the industry in which the Company operates due to extraordinary events. The application of these subjective criteria is essential to ensure that the final performance evaluation is fair and appropriate. An explanation of these criteria will be included in the Annual Report on Remuneration of Board members for the relevant fiscal year.

The settlement of the annual variable remuneration is made on an accrual basis after the Board of Directors has drawn-up the annual financial statements, taking into account, if applicable, any qualifications that may be included in the auditor's report, and after the specific amount has been established at the proposal of the Appointments and Remuneration Committee, which will be subject, according to the best corporate governance practices, to sufficient verification that the performance or other conditions previously established have been effectively met and that no event has occurred that would make its payment inadvisable.

The annual variable remuneration of the executive board members will be paid in cash, or through the delivery of shares according to the resolution of the General Shareholders' Meeting approved for such purpose.

6.2.3 Refund of the annual variable remuneration

The amount of the annual variable remuneration paid, if any, will be subject to the malus and clawback clauses described in section 7.4 of this Policy.

6.3 Long-term variable remuneration plan

The Company may establish incentive schemes for the Company's management team linked to the Company's performance in relation to certain economic-financial parameters that are specific, predetermined, quantifiable and aligned with the Company's long-term strategic aims. The executive board members will have the right to join and participate in these schemes under the terms and conditions established by the Board of Directors, at the proposal of the Appointments and Remuneration Committee.

To encourage the proper performance of their duties and align the long-term interests of the executive board members with those of their shareholders, these systems may include the delivery of shares or stock options, as well as remuneration rights linked to the value of the shares, which will be submitted to the approval of the General Shareholders' Meeting according to the Spanish Companies Act and the Company's by-laws.

6.3.1 Amount

The annual variable remuneration of the executive board members is established as a percentage of their fixed remuneration, which, as a general rule, will range between 200% and 240% of the annual fixed remuneration at the award date for a scenario in which 100% of the targets established in the long-term remuneration plan are attained. This percentage may be increased to up to 200% in a scenario of maximum attainment of the targets established in the long-term remuneration plan.

No significant variations are expected during the term of the Policy. In any case, the long-term variable remuneration of the executive board members may be reviewed based on their progress and consolidation in the position, the evolution of the Company's results, and other factors that the Appointments and Remuneration Committee considers appropriate. If this is the case, the Board of Directors must approve this adjustment, at the proposal of the Appointments and Remuneration Committee, and a proper explanation will be given in the corresponding Annual Report on Remuneration of Board members.

6.3.2 Calculation

The individual amount corresponding to the long-term variable remuneration will be determined by the Board of Directors, following a favorable report from the Appointments and Remuneration Committee. To calculate the amount of the long-term variable remuneration, the Appointments and Remuneration Committee will take into account the targets established in each of the long-term remuneration plans. In this evaluation task, the Appointments and Remuneration Committee may seek the advice of other committees and departments of the Company, which provide information on the financial and non-financial results, as well as information related to environmental, social and corporate governance factors.

As regards assessing the achievement of the targets established in the long-term remuneration plans, the Appointments and Remuneration Committee may adopt subjective criteria to accommodate situations such as, but not limited to, mergers, acquisitions, disposals, currency exchange rate movements, changes in accounting treatment, significant one-time tax settlements and significant changes in the macroeconomic environment or a major impact on the industry in which the Company operates due to extraordinary events. The application of these subjective criteria is

essential to ensure that the final performance evaluation is fair and appropriate. An explanation of these criteria will be included in the Annual Report on Remuneration of Board members for the relevant fiscal year.

6.3.3 *Characteristics of the long-term remuneration plans*

Long-term remuneration plans for executive board members must have the following characteristics:

- (i) Remuneration in cash or through the delivery of shares of the Company or of other group companies. Alternatively, they may also be paid through the delivery of stock options on those shares or remuneration rights linked to the value of the shares, other securities, financial instruments or assets, extraordinary contributions to savings plans or through the delivery of other Company assets, provided that the targets established for this purpose are met.
- (ii) The minimum vesting period for the right to receive the total variable remuneration will be three (3) years.
- (iii) To achieve the aims set out in this Remuneration Policy, the vesting conditions may be linked to, among others, the achievement of certain targets related to the following metrics: revenue (e.g. turnover); earnings (e.g. EBITDA); cash generation (e.g. Free Cash Flow); shareholder profitability/return (e.g. Total Shareholder Return); return (e.g. Return on Equity); or non-financials (environment, social and corporate governance).

6.3.4 *Conditions applicable to the delivery of shares*

Depending on what is finally established in the remuneration plans affecting the executive board members approved by the Company, in the different resolutions adopted for the delivery of shares or in the contracts between the Company and the executive board members, the delivery of shares by the Company to the executive board members may be subject to the following rules:

- (i) Deferral and malus clause: the delivery of shares may be made on a deferred basis. The delivery of such shares will be subject to the provisions of section 7.4 of this Policy.
- (ii) Clawback clause: within twenty-four (24) months after each date on which the shares have been delivered (including those whose delivery has been made, if applicable, on a deferred basis), the Company may claim from the executive board members a refund (clawback) of the remuneration under the terms described in section 7.4 of this Policy.

In no case may the number of shares delivered exceed the maximum number of shares approved by the Company's General Shareholders' Meeting.

6.4 **Welfare benefits**

The remuneration of executive board members will be supplemented by a defined contribution plan and appropriate life insurance policies and savings and social security systems, in line with market practice in comparable companies in terms of capitalization, size, ownership structure and international presence.

The Company's annual contribution to the defined contribution plan for executive board members will be established at a maximum of 30% of their annual fixed remuneration. The defined contribution plan will be financed through an insurance policy taken out with an external insurer. The contingencies covered may include: (i) survival to the legal retirement age; (ii) death; or (iii) declaration of permanent incapacity for work in the degrees of total incapacity for the usual profession, permanent absolute incapacity or severe incapacity. The benefits consist of the economic right to which the beneficiary is entitled as a result of the occurrence of any of the contingencies covered by the plan, without prejudice to any advance payment that may be made to comply with the relevant tax obligations.

In the event of the termination of the contract by the Company due to a serious or punishable breach by the executive board member, the executive board member would lose the economic rights to the contributions made by the Company to the defined contribution plan.

In addition, executive board members may receive in cash the amount equivalent to the contribution to the pension plans made by the Company.

6.5 Remuneration in kind

Executive board members may receive certain remuneration in kind, including, among others, the use of a company vehicle and a health insurance policy, which may include the board member and his or her immediate family.

Executive board members will be entitled to the reimbursement of current expenses incurred in the performance of their services to the Company.

6.6 Additional extraordinary incentives and bonuses

As part of their variable remuneration, executive board members may receive extraordinary incentives for services rendered other than those inherent to their position, such as participation in significant or key corporate transactions for the Company. Likewise, they may be participants in any extraordinary bonus granted to all or a generality of the employees of the Company and/or group companies, provided that the amount of such bonus corresponding to the executive directors has been determined on the basis of objective conditions including, but not limited to, seniority, responsibility or base salary.

Extraordinary incentives and bonuses will be approved by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, and a detailed justification and explanation of these incentives and bonuses will be included in the Annual Report on Remuneration of Board members for the corresponding fiscal year.

7 Basic conditions of the contracts of executive board members

The Board of Directors will establish the remuneration corresponding to executive board members for their executive duties and the other basic conditions that their contract must include, according to the Company's by-laws and this Remuneration Policy. The basic conditions of this contract will be as follows:

7.1 Duration

The contracts signed with the executive board members will have the duration agreed between the parties, and in the absence of an agreement, they will be of an indefinite nature. Their position will be subject in all cases to the duration of their term of office as board member, including any subsequent renewals of that office.

7.2 Notice period

The contract of the executive board members will provide that the executive board members may terminate their contract with a notice period of twelve (12) months.

7.3 Exclusivity and non-competition

The contract of the executive board members will establish a non-competition obligation in relation to companies and activities of a similar nature to those of the Company, during the term of their relationship with the Company and thereafter, for a period of one (1) year from the termination of their contract. The above covenant will contain an indemnity as consideration for the non-competition obligation, which will not exceed an amount of one (1) year's fixed remuneration.

7.4 Malus and clawback clauses

The Board of Directors will assess, following a report from the Appointments and Remuneration Committee, whether it is appropriate to apply one or both of the following measures: (i) cancel all or part of the variable remuneration pending payment (malus) and/or (ii) recover all or part of any element of variable remuneration within twenty-four (24) months after payment (clawback), when certain exceptional circumstances arise that affect the Company's results or derive from inappropriate conduct by the executive board member.

For these purposes and by way of example, the following, among others, will be considered exceptional circumstances that will be subject to assessment by the Board of Directors:

- Restatement of the Company's financial statements for reasons other than a change in the applicable accounting standards.
- Where an executive board member has been sanctioned for a serious breach of the code of conduct and other internal regulations applicable to him or her, or for a serious breach of the legislation applicable to him or her.
- When it becomes evident that the settlement of the variable remuneration item in question took place totally or partially based on information that is then manifestly demonstrated to be false or seriously inaccurate, or based on other circumstances not foreseen or assumed by the Company, which have a material adverse impact on the income statements.
- When the external auditor of the Company includes qualifications in its report that reduce the results taken into consideration to determine the amount of the variable remuneration to be paid.

7.5 Compensation for termination of the contract

The termination of an executive board member's contract by a unilateral decision of the Company will entitle the relevant Board member to receive compensation equivalent to two (2) annual payments of the fixed remuneration that he or she was receiving at the time of the termination of the contract, provided that the termination was not due to a breach of his or her duties and functions as a board member. The compensation will not be paid until the Company has been able to verify that the criteria and conditions for its receipt have been met.

7.6 Commitment to hold shares

To ensure an adequate alignment with the interests of our shareholders, executive board members must hold the Company's shares, stock options or other financial instruments related to the remuneration plans for a period of at least three (3) years. An exception is granted with respect to this obligation if the board member maintains, at the time of the transfer or exercise, a net economic exposure to changes in the price of the shares for a market value equivalent to an amount of at least two (2) times that board member's annual fixed remuneration through the ownership of shares, stock options or other financial instruments.

The above holding requirement will not apply to shares that the executive board member requires to dispose of to pay the costs related to their acquisition or, following a favorable opinion from the Appointments and Remuneration Committee, to meet the demands of any extraordinary situations that may require it.

In any case, the Appointments and Remuneration Committee will periodically review compliance with the holding requirements.

8 Governance

8.1 Approval and review of the Remuneration Policy

This Remuneration Policy will be approved by the General Shareholders' Meeting prior to the Admission, at the proposal of the Board of Directors, following a reasoned report from the Appointments and Remuneration Committee. Both the Remuneration Policy and the report of the Appointments and Remuneration Committee will be made available to the shareholders on the Company's website.

The Remuneration Policy applicable to the members of the Board of Directors of the Company will be analyzed and reviewed periodically by the Appointments and Remuneration Committee, which will submit to the Board of Directors the proposals for modification that it considers necessary based on the evolution of the Company and the market, as well as the adaptations that may be required for compliance at all times with the regulatory provisions in force and the rules of good corporate governance.

In the event of a review of the Remuneration Policy, it will describe and explain all significant changes and the degree to which it has taken into account the votes taken and any points of view received from shareholders on the Remuneration Policy and the annual reports on remuneration of board members from the date of the most recent vote on the Remuneration Policy at the annual General Shareholders' Meeting.

In any case, the Appointments and Remuneration Committee will ensure the correct interpretation and resolution of any conflicts of interest that may arise in relation to the application and review of the Remuneration Policy.

8.2 Supervision and implementation

The Board of Directors of the Company will be responsible for establishing a system of control and supervision of the specific requirements of the Remuneration Policy applicable to the members of the Board of Directors that ensures compliance with and effective implementation of the provisions set forth in this Remuneration Policy. Despite the above, the Appointments and Remuneration Committee will also ensure compliance with the Remuneration Policy.

8.3 Exceptionality

The Company may apply, within the current regulatory framework, temporary exceptions on all or some of the remuneration items described in this Remuneration Policy, depending on the particular needs of the Company's business, as well as those arising from the macroeconomic context in the geographical areas in which the Company operates.

In this regard, for the application of these exceptions, the Appointments and Remuneration Committee will make a reasoned proposal, which must in any case be analyzed and approved by the Board of Directors.

Likewise, any application of an exception will be duly recorded and explained in the corresponding Annual Report on Remuneration of Board members.

The exceptional circumstances mentioned in this section will only cover situations where the exception to the Remuneration Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability.

9 Remuneration Policy applicable to new board members

The remuneration system described above for executive board members will be applicable to any executive board member who may join the Board of Directors during the term of this Policy.

The Appointments and Remuneration Committee and the Board of Directors will determine the elements and amounts of the remuneration system applicable to the new executive board member taking into account the functions assigned, the responsibilities assumed, his or her professional experience, the market remuneration of that position and any others it considers appropriate, which will be duly reflected in the corresponding contract to be signed between the Company and the new executive board member.

If new non-executive members join the Board of Directors during the term of this Policy, the remuneration system described in section 5 above will apply to them.