

(This is a free translation of the original Spanish document. In the event of any discrepancy between this translation and the original Spanish document, the original Spanish version shall prevail.)

**ANNUAL REPORT ON DIRECTORS' REMUNERATION AT
LISTED LIMITED LIABILITY COMPANIES**

ISSUER IDENTIFICATION DETAILS

END OF YEAR REFERENCE DATE

31.12.2021

Company Tax ID No.
(C.I.F.) A31065501

Registered Name: VISCOFAN SA

Registered Address:

POLÍGONO INDUSTRIA BERROA 15-4ª PLANTA
31192 TAJONAR – NAVARRE
SPAIN

ANNUAL REPORT ON DIRECTORS' REMUNERATION AT LISTED LIMITED LIABILITY COMPANIES

A CORPORATE REMUNERATION POLICY FOR THE CURRENT YEAR

A.1.1 Explain the current Directors' Remuneration Policy applicable to the current year. Whenever relevant, certain information may be included by reference to the remuneration policy approved by the general meeting, so long as the inclusion is clear, specific and concrete.

Descriptions should be given for specific determinations for the year in progress regarding the remuneration of directors in their status as such and as a result of their executive functions carried out for the board pursuant to contracts signed with executive directors and the remuneration policy approved by the general meeting.

In any event, the following aspects should be reported:

- 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 were considered when establishing the company's remuneration policy.
- c) Information on whether any external advisors took part in this process and, if so, **their identity**.
- d) **Procedures envisaged in the prevailing remuneration policy of the directors to apply temporary exceptions to the policy, conditions in which these exceptions can be resorted to and components that must be the object of exception in line with the policy.**

The prevailing remunerations policy for the directors applicable to the period under way was approved by the Ordinary General Shareholders' Meeting on 23 April 2021 for the period 2021-2023 ("Remunerations Policy"). The amendments under Law 5/2021, of 12 April, in article 529 novodecies of the Corporate Enterprises Law are included in the Remunerations Policy, which is indicated for the purposes of the first transitional provision, section 1, of the aforementioned Law, 5/2021, of 12 April.

The Remuneration Policy was prepared by the Appointments, Remunerations and Sustainability Committee (the "**Committee**"), after a process of reflection which analysed the opinion and information received from shareholders, institutional investors and *proxy advisers*. The Committee has also taken into consideration the provisions of the Code of Good Corporate Governance in relation to director remuneration, in accordance with the new draft of June 2020, and the provisions in this area contained in the Draft Bill with the long-term involvement of the shareholders of the listed companies.

This process was carried out with the advice of the consultant *Willis Towers Watson*.

Comparable companies were taken into account during the process. The remuneration of the non-executive directors ("in their condition as such") has essentially been compared with IBEX-35 companies of a similar size. The remuneration of the executive directors is comparable with a group of companies from the *Packaged Foods & Meats* sector and with a selection of IBEX-35 companies of a comparable size.

The Remuneration Policy establishes a remuneration system for directors based on (i) their capacity as such and (ii) specific executive or senior management functions:

1. Remuneration for directors in their capacity as such:
 - a. Limit. - The annual remuneration to directors in their capacity as such, for all the items, shall not exceed the limit of 1.5% of the annual consolidated cash profit before taxes (article 29 of the Articles of Association). The previous remuneration is, in any case, the maximum amount, corresponding to the Board of Directors itself, the proposed distribution of its amount between the directors. The payment is usually settled after the General Shareholders' Meeting approves the financial statements from the previous year.
 - b. Items. - The Policy addresses two separate items:
 - i. fixed remuneration for sitting on the Board of Directors and the Committees, according to positions or functions held on those bodies.
 - ii. attendance allowances for Board of Directors meetings.
2. Remuneration for executive or senior management duties of executive directors. - It comprises the following items:
 - An annual fixed remuneration (without distinction, also referred to as a "Salary"), determined on the basis of the executive functions associated with the office and which is paid to comparable companies in the market.
 - An annual variable remuneration(also referred to as "Annual Bonus").
 - a. Limit. The annual variable remuneration has a limit of 70% of the Salary for the "Annual Variable Remuneration Objective" (*Target*, i.e., when achieving 100% of the targets/objectives), and may reach a maximum 150% of the Annual Variable Remuneration Objective (in other words, up to a maximum of 105% of the salary of the executive director) when exceeding the pre-established targets.
 - b. Metrics. It is linked to the accomplishment of a combination of objectives,
 - (i) firstly, a series of common corporate objectives of an economic-financial and non-financial and sustainability nature for the executive directors, all of which are specific, predetermined and quantifiable, with a minimum threshold and a target level that corresponds to the 100% fulfilment of the objectives, and exceeding targets, within the indicated limits. Corporate objectives have a weight of at least 50% in the incentive as a whole;
 - (ii) secondly, quantifiable objectives specific to each executive director that will have a maximum weight of 30%;
 - (iii) lastly, the individual performance of each executive director; the weight of the performance assessment will be a maximum of 20%.
 - A long-term incentive plan (also known as the "Three-year Plan"), to reward the fulfilment of the Viscofan Group's long-term strategic objectives, the sustainability of results and the creation of sustainable value for shareholders.
 - a. Limit. The limit of the "Annualised Objective Incentive" (annualised *target*) is a 70% of the Salary of the executive director and can reach a maximum of 150% of the Annualised Objective Incentive (105% of the Salary).
 - b. Metrics. It is linked to the accomplishment of a combination of objectives:
 - (i) Creation of value for shareholders (for example, changes in the share price or total shareholder return) and economic-financial and operating objectives of the strategic plan.
 - (ii) non-financial and sustainability objectives. The weight of non-financial targets shall not exceed 20%.

Until 31 December 2021, the 2019-2021 Long-Term Incentive Plan (“2019-2021 Three-year Plan”) has been in force. The recognition of the degree of compliance with the 2019-2021 Three-year Plan, upon the proposal of the Committee, was approved by the Board of Directors at its session dated 24 February 2022. In line with the terms of the Plan, its payment is made following the holding of the 2022 General Shareholders' Meeting. It is necessary to refer to section B above relating to the application of the Remuneration Policy in the year ended.

For the period 2022-2024, upon the proposal of the Committee, the Board of Directors will submit a new Long-Term Incentive Plan to the 2022 General Shareholders' Meeting (“2022-2024 Three-year Plan”), whose terms are explained in section A.1.6 below.

- Other benefits: life and accident insurance, healthcare assistance policy and company vehicle; these benefits cannot exceed 20% of the employee's fixed remuneration.

The Board of Directors, upon the proposal of the Committee, may also submit, to the General Shareholders' Meeting, the concession of special incentives to executive directors in light of extraordinary operations.

The Company also has civil liability insurance for directors and executives.

The Remuneration Policy does not envisage procedures to apply temporary exceptions to it.

A1.2 Relative importance of variable remuneration items vis-à-vis fixed items (remuneration mix) and the criteria and objectives used to determine and guarantee a suitable balance between fixed and variable remuneration items. In particular, explain the actions taken by the company in connection with the remuneration system to reduce excessive risk exposure and match it to the long-term targets, values and interests of the company, which should include, whenever pertinent, measures taken in relation to those categories of staff whose professional activities have a material impact on the risk profile of the entity; clawback formulae or clauses to reclaim variable components of performance-based remuneration when such components have been paid on the basis of data that is subsequently proven to be wholly inaccurate; and measures designed to prevent conflicts of interest.

Furthermore, state 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 the handover of accrued and vested financial instruments, or if any clause has been approved reducing the deferred remuneration not yet consolidated or that obliges the director to return remuneration received, when such remuneration has been based on certain figures that have clearly proven to be inaccurate.

The Remuneration Policy provides a reasonable balance between the different components of fixed (annual) and variable (annual and long-term) remuneration, which reflects a suitable assumption of risks combined with the achievement of defined short- and long-term objectives, linked to the creation of sustainable value.

- The fixed component is accrued in any case, so it is not an item that entails exposure to risk.
- The annual variable remuneration or Annual Bonus is linked to the fulfilment of annual business targets of a financial, operational, share performance, non-financial and sustainability nature, and are proposed by the Committee and approved by the Board of Directors. The objectives of the Annual Bonus, as they are primarily based on the annual budget and on the guidelines provided to the market, are aligned with the strategic vision and the long-term objectives in the Viscofan Group's strategic plans which, as they are recurring,

avoid the assumption of excessive risks. This is reinforced by the fact that their evaluation is carried out once the financial statements have been audited and presented.

- The long-term variable remuneration or Three-year Plan, which essentially takes the creation of value for the shareholder as a reference (for example, total shareholder return or TSR) and its sustainability with a minimum measurement period of three years, without prejudice to the moment of payment or settlement. Furthermore, it includes essentially non-financial, sustainability, environmental and social objectives.

In a scenario of standard compliance with targets (i.e., when targets are 100% met), the fixed remuneration would represent approximately 42% of the total remuneration, the annual variable remuneration 29% and the long-term variable another 29%, therefore there is a balanced distribution between annual and multi-year remuneration. The end structure of the "remuneration mix" for executive directors ultimately depends on targets being met and on the Board of Directors' assessment, based on the committee's proposal, of the director's performance.

The Remuneration Policy includes an ex-post control of variable remuneration ("clawback"), both for the Annual Bonus and for the Three-year Plan, should the following circumstances arise within the 24 months of payment of said remuneration:

- Significant fall in consolidated net profit (more than 50%).
- Serious non-compliance by the beneficiary of the internal rules, including, in particular, risk-related rules.
- Material reformulation of the Group's financial statements, when considered by the external auditors, except when it is appropriate according to a modification of the accounting regulations.

Furthermore, there are risk mitigation measures:

- the Committee may propose to the Board of Directors that adjustments be made to the elements, criteria, thresholds and limits of the variable annual or pluriannual remuneration in exceptional circumstances due to extraordinary internal or external factors or events. The detail and justification of these adjustments will be included in the corresponding Annual Report on Directors' Remuneration.
- To reinforce the commitment of executive directors to long-term company interests and alignment with shareholder interests, the Remuneration Policy includes a share ownership commitment in which executive directors must hold a number of shares equivalent to two years of gross fixed remuneration while they are in office. To achieve this objective, a period of four years is established, calculated from the start of the effectiveness of the Policy or from the appointment in the case of new Directors. Should this limit not be reached, the net shares, if any, that are received by the executive directors deriving from any element of variable remuneration, will be subject to a retention period of at least three years. Notwithstanding the indicated measures, the executive directors currently in office (Executive Chairman and the General Managing Director) are, at this date, the owners of the shares whose value exceeds the indicated threshold.

Regarding the measures to preclude conflicts of interest, in accordance with the Regulations of the Board of Directors, in application of the legal precepts in force regarding the matter, the directors are annually required to declare, or have the duty to do so, as soon as they become aware of any conflicts of interest, and they must immediately resign should this conflict persist or should their presence on the Board contravene the Company's interests. Directors must also refrain from discussing and voting on matters in which they have either a direct or indirect interest, even through related parties, except in the resolutions or decisions affecting their capacity as members of the Board, such as their appointment for or removal from positions within the Board. Internal company regulations on measures to prevent conflicts of interest are applicable to all Viscofan Group employees.

A.1.3 Amount and nature of fixed components that directors are expected to receive in the year for their status as such.

The remuneration of directors in their capacity as such in 2022 is as follows:

- The Chairman of the Board will receive fixed remuneration for that office of €160,000.
- Board members shall receive a fixed remuneration for membership thereof of €80,000 each.
- An additional fixed remuneration will be paid per office and membership on Committees of the Board of Directors:
 - Audit Committee: Chairman €45,000 and members €30,000.
 - Appointments, Remuneration and Sustainability Committee: Chairman €37,500 and members €25,000.
- Coordinating Director for holding said office: 25.000 €.
- Allowances for attendance at Board of Directors meetings, to pay for personal and effective attendance at the meetings of the Board of Directors remain at €3,000 per meeting and director. The Chairman and Managing Director will receive no allowance whatsoever in this regard. New elements included in the Remuneration Policy:
 - In the event the Deputy Chairman chairs the meeting of the Board of Directors to substitute the Chairman, they will receive twice the amount of attendance fees (€6,000 instead of €3,000).
 - €1,000 per meeting and director in the event of attendance via remote means of the sessions of the Board of Directors (not applicable in the event of mobility restrictions preventing attendance in person).

Attending Committee meetings does not accrue a specific attendance fee.

A.1.4 Amount and nature of fixed components that executive directors will receive in the year for discharging senior management duties.

In the Remuneration Policy for 2021-2023, the fixed annual remuneration of executive directors for their senior management duties remains unchanged.

- Executive Chairman: 656.000.
- General Managing Director: 506.000€.

A.1.5 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 remuneration in kind that will be accrued in 2022 for the concepts contemplated by the Remuneration Policy (life/accident insurance premiums, healthcare and vehicles) is estimated at €21 thousand for the Executive Chairman and €49,8 thousand for the Managing Director.

The Company has arranged civil liability insurance for both executive and non-executive directors (D&O insurance), as well as for executives of the Company and the Group's subsidiaries. In this insurance, the directors will be considered as the insured parties, due to the liabilities that may arise as a consequence of the performance of their activities. The premium for the aforementioned D&O insurance for 2022 is €81,000. Due to the civil liability insurance being arranged globally, it is not possible to calculate the proportionate part for the directors as remuneration in kind.

A.1.6 Amount and nature of variable components, differentiating between those established in the short and long term. Financial and non-financial parameters, including social,

environmental and climate change parameters, selected to determine the variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year, detailing the criteria and factors applicable with regard to the time required and methods to effectively verify the conditions of performance or any other type to which the accrual and consolidation of each component of variable remuneration is linked.

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

The variable components of the remuneration system for executive directors for 2022, in accordance with that established in the Remuneration Policy, continuing on from the previous policy, are the following and have been proposed by the Committee and approved by the session of the Board of Directors on 24 February 2022:

a. Annual variable remuneration (Annual Bonus):

- Amounts and limits.

- A Target Annual Bonus of €459,000 has been set for the Executive Chairman (i.e. when targets are met 100%); In the case of exceeding the target, the Annual Bonus for the Executive Chairman could reach a maximum of €688,000.
- A target Annual Bonus of €354,000 has been set for the General Managing Director (i.e. when targets are met 100%); In the case of exceeding the target, the Annual Bonus for the General Managing Director could reach a maximum of €531,000.

- Metrics and weighting. -

- Corporate Targets. These are common to the two executive directors with a combined weighting of 50% in the Annual Bonus:
 - Economic-financial parameters, in terms of Increased sales, improved EBITDA and the net profit and share performance (75% of the corporate objectives).
 - Non-financial and sustainability parameters in terms of the reduction of production-related CO2 emissions, accident rate reduction and the reduction in production waste, using the Group's sustainability strategy as a reference. (weights 25% of corporate targets)
- Quantifiable targets for each executive director (30% weighting): execution of the Group's priority projects linked to strategic positioning, business growth and maximising operations.
- Individual performance of each executive director (20% weighting). Valuation of the qualitative factors for each Director upon the proposal of the Committee linked to commitment to the project, transformation, teamwork.
- Exceeding targets linked to the additional profitability targets in terms of EBITDA and net profit.

- Determination procedure. -

At the end of the reporting period, the Committee, with the internal support that it deems necessary (i.e., Internal Audit, Corporate Financial Management) as well as external (audited financial statements and verified non-financial statements), will determine the proposed degree of fulfilment (establishing a specific percentage and amount) of each of the targets and the evaluation of the performance of the executive directors. This percentage will be applied to the Target Annual Bonus to determine the specific amount of the annual variable remuneration, which will be submitted to the Board of Directors for approval at the time of preparation of the financial statements, directors' report, Annual Corporate Governance Report and the Annual Directors' Remuneration Report, which usually takes place within the first two months following the close of the reporting period to which they refer.

In particular, during said period, it has been verified that the performance conditions to which the accrual and consolidation of the Annual Bonus are linked have been fulfilled, essentially through an external audit process of the financial statements and directors' report, and the verification of the non-financial information statement by an independent third party, which guarantees the verification of financial and non-financial parameters, and the verification of processes and internal reports that are collected on the remaining objectives or on the basis of public information (i.e., price of the share in line with stock market index listings).

b. Long-term incentive plan (Three-year Plan).

The Board of Directors of Viscofan, S.A., at its meeting held on 24 February 2022, upon the proposal of the Appointments and Remunerations Committee ("ARC"), proposed to submit a Long-Term Incentive Plan for 2022-2024 to the 2022 General Shareholders' Meeting (hereinafter, the "2022-2024 Three-year Plan"), earmarked to the Company's Executive Directors, executives and other key personnel of the Viscofan Group, mixed in shares and in cash. The literal proposal of the proposed agreement and the explanatory report will be provided to the shareholders upon the announcement of the General Shareholders' Meeting. For the purposes of this report, the noteworthy aspects relating to the executive directors are highlighted:

- Amount and limits. -

- Executive Chairman.- For the Target Incentive, a maximum of 17,287 shares and €413,280 in cash; in the event of the Maximum Incentive for exceeding targets, 25,931 shares and €619,920. In line with the price of €55.78 per share taken at the start of the Measurement Period, the Plan's total value for the Executive Chairman is €1,377,660 for the Target Incentive and €2,066,351 for the Maximum Incentive for exceeding targets.
- General Managing Director.- For the Target Incentive, a maximum of 13,334 shares and €318,780 in cash; in the event of the Maximum Incentive for exceeding targets, 20,002 shares and €478,170. In line with the price of €55.78 per share taken at the start of the Measurement Period, the Plan's total value for the General Managing Director is €1,062,600 for the Target Incentive and €1,593,882 for the Maximum Incentive for exceeding targets.

- Metrics and weighting. -

The Plan reflects the expected value creation during the Measurement Period, taking into account the Viscofan Group's strategy.

- Three metrics blocks are established for the Target Incentive:

(i) Creating value for shareholders (75% of the Target Objective).

We propose the Total Shareholder Return ("TSR") Plan as an essential metric, which measures the return on investment for the shareholder as a sum of the variation in the share price in the Measurement Period, plus dividends and other similar items received during this period.

The average listed price of the share in December 2021, i.e., €55.78 per share,

is taken as the initial reference. To calculate the performance of TSR at the end of the period, the average listed price of the share in December 2024 will also be considered.

In accordance with these benchmark values, a minimum level of compliance is established, from which the plan begins to receive 4% of the Compound Annual Growth Rate (CAGR) and 6.5% of the CAGR as a Target Objective, in line with the Company's historical average.

(ii) Creating sustainable value in environmental matters (10% of the Target Objective).

The Company approved a new 2022-2025 Sustainability Action Plan (period which therefore comprises the Plan's Measurement Period). In line with this Sustainability Action Plan, investments are included in the Viscofan Group aimed at the decarbonisation of processes. In this regard, as the Target Objective, it is proposed to reduce the CO2 emissions per kilometre of casing at the Viscofan Group by between 4.5% and 7.5% in the Measurement Period. The average range is in line with the ambitious objective of reducing, with respect to 2018 values, 30% of CO2 emissions per km produced for 2030.

(iii) Creating sustainable value in social matters (15% of the Target Objective).

The metric is subdivided into two:

- a. Reduction of the accident rate.- In the materiality analysis performed by the Viscofan Group in 2021 to prepare the new 2022-2025 Sustainability Action Plan, the security of people in the workplace was once again highlighted as a priority and an especially critical area. Aligned with the objective of reducing the accident rate at the Viscofan Group by 50%, the objective is proposed of reducing the seriousness index between 3% (minimum) and 5% annually (Target Objective), calculated as the number of days lost per thousand hours worked. 10% of the Target Objective is weighted.
 - b. Audits to suppliers.- Also, in line with the fact that the sustainability commitment is transmitted throughout the whole of the Viscofan Group's supply chain, the objective is proposed (as a unique value, which acts as a minimum and maximum) to perform, at the end of the Measurement Period, audits on the compliance of the Viscofan Group's Supplier Conduct Code, in a volume equivalent to 50% of the purchases from suppliers of the main raw materials, namely: cellulose, collagen skins, cellulose paper and suppliers of polyamides. The raw materials represent around 55% of raw material purchases. 5% of the Target Objective is weighted.
- Maximum Incentive for exceeding targets (up to an additional 50% of the Target Incentive).

For the accrual and recognition of this additional 50% of the Target Objective, an exceptional performance of the TSR is demanded, obtained from the absolute viewpoint and from another, relative, that is, comparing the Company's TSR with the performance of a reference group.

(i) Creation of historical absolute value for shareholders (35% of the Objective)

If an absolute TSR is obtained between 6.5% (minimum value) and 10% (maximum), values that correspond to a return obtained in the exceptional periods of greater value creation for the Company.

(ii) Creation of value exceeding other companies of reference (15% of the Objective)

To measure this objective, it is proposed to use the relative TSR, in which Viscofan must perform better than the average of a reference group. This reference group will be formed by the seven non-financial companies of the Ibex-35 with a stock market capitalisation of less than €4 billion,¹ and by another seven benchmark companies on the special ingredients and casing market.² If Viscofan's TSR is in the 50 percentile of this group, it begins to accrue exceeded targets, with the maximum compliance being the 100 percentile.

- Determination procedure. -

As a condition for the payment of the Plan, upon the proposal of the Appointments and Remunerations Committee, the Board of Directors of Viscofan, S.A. has ratified the degree of compliance with the parameters and magnitudes thereof. Executive directors who are beneficiaries of the Plan may not transfer the shares delivered for a period of three (3) years, unless they hold, directly or indirectly, a number of shares equivalent to twice their fixed annual remuneration. The provisions of the current Directors' Remuneration Policy will apply to the ex-post control of variable remuneration ("clawback").

- A.1.7 Main characteristics of the long-term savings systems. In addition to other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are vested for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, on the terms provided, between the company and the director.

State if the accrual or vesting of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

The Company has no long-term savings systems for directors.

- A.1.8 Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation in the terms agreed between the company and director, whether voluntary resignation by the director, dismissal of the director by the company, or any other type of termination agreement reached, such as exclusivity, post-contractual non-competition, continuance in office or loyalty, which would entitle the director to some sort of remuneration.

The following cases are addressed in executive director contracts:

The compensation of two annual payments of the annual fixed remuneration for extinguishing the contractual relationship not attributable to the director, including termination initiated by the executive director in the following cases:

¹ Acerinox, Cie Automotive, Almirall, Solaria, Indra, Meliá Hotels and Pharma Mar.

² IFF, DSM, Kerry, Ingredion, Tat&Lyle, Darling Ingredients and Devro.

Substantial modification of the conditions of provision services that redound notoriously to the detriment of the executive director.

Substantial change in the conditions of the provision of services of the executive director as a result of a significant change in ownership of the Company equal to or greater than 30% of the share capital, with the effect of renewing the governing bodies of the Company or the content and approach of its main activity, provided that the termination occurs within three months after the occurrence of such changes.

There will be no compensation if the dismissal is the result of gross misconduct, wilful misconduct and culpable conduct of the executive director in the performance of duties.

Two-year non-compete agreement. The compensation for the two-year non-compete commitment is included in the compensation contemplated for the termination of the relationship. In case of noncompliance with the non-compete commitment, the executive director must return the received compensation and pay three times its amount in damages.

Under the Remuneration Policy, a notification period of 6 months is foreseen to terminate the relationship with the executive chairman and, in the case of non-compliance, the breaching party must compensate the other with the amount of remuneration corresponding to the notification period. In this regard, the Remuneration Policy establishes that the amount which, where applicable, the Company will pay for breach of the contractually established notification period, will be discounted from the two years of fixed remuneration deriving from the compensation in the event of termination of the contractual relationship.

- A.1.9 Indicate the conditions that must be respected in the contracts of those who exercise senior management functions as executive directors. Among other aspects, give information on the duration, limits to the amounts of indemnity, tenure clauses, notice periods and payments that can replace such notice periods, and any other clauses regarding hiring bonuses, as well as severance payments or ring-fencing for early cancellation or termination of the contractual relationship between the company and the executive director. Include, inter alia, covenants or agreements regarding non-competition, exclusivity, tenure or loyalty and non-competition after termination of contract, unless already explained in the section above.

Executive director contracts adapt to the following essential conditions:

- Commercial nature
- Indefinite.
- Notice of 6 months for voluntary termination (reciprocal). In case of failure to observe the 6-month notice period (reciprocal), the compensation shall be payment of the remuneration corresponding to the unfulfilled notice period. The amount which, where applicable, the Company pays for the breach of the contractually established notification period, will be discounted from the two years of fixed remuneration deriving from the applicable compensation in the event of termination of the contractual relationship.
- Compensation and post-competition covenants (refer to section above).
- The duty of confidentiality on information, data, reports or background information to which directors had access while in office shall persist even after they leave office, regardless of the reason.

To streamline the hiring of candidates, the Policy provides the Committee with the possibility of submitting a proposal to the Board of Directors for a hiring bonus to offset any loss of incentives not accrued, and the possibility of an international assignment of the application of the Company's policy for such cases (e.g. housing supplement). Such circumstances did not occur, and the Company made no premium payment in this regard.

- A.1.10 The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the year in progress in consideration for services furnished other than those inherent in the post.

No supplementary remuneration other than the remuneration explained in previous sections are expected.

- A.1.11 Other remuneration items, including items deriving from the company providing advances, loans, guarantees or any other remuneration to directors.

None were or are expected to be granted.

- A.1.12 The nature and estimated amount of any other planned supplementary remuneration that will be accrued by directors in the year in progress not included in the previous sections, whether payment is made by the company or another group company.

There are not and will not be any supplementary remuneration other than the remuneration explained in previous sections.

- A.2 Explain any relevant change in the remuneration policy applicable to the current year arising from:
- a) A new policy or amendment in the policy already approved by the General Shareholders' Meeting.
 - b) Significant changes in specific determinations established by the Board for the current year on the valid remuneration policy compared with those applied in the previous year.
 - c) Proposals that the Board of Directors may have agreed to at the General Shareholders' Meeting to which this annual report will be submitted and proposed to be applicable in the current year.

There are no changes in the remuneration policy applicable in the year. As indicated in Section A.1., on the one hand, in 2022 following the holding of the 2022 General Shareholders' Meeting, 2019-2021 Three-year Plan will be settled and paid and, on the other hand, the Board of Directors agreed, at its meeting of 24 February 2022, to submit the approval of a new 2022-2024 Three-year Plan to the forthcoming 2022 General Shareholders' Meeting.

- A.3 Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the company website.

<https://www.viscofan.com/es/gobierno-corporativo/reglamentos-y-politicas>

- A.4 Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting regarding the Annual Remuneration Report for the previous year.

The Annual Directors' Remuneration Report for the year ended 31 December 2020 received the backing of the majority of shareholders, specifically 99% of the votes cast, in line with that obtained during the previous year ended 31 December 2019 (99.26%), with 0.3% of the votes against and an abstention rate of 0.7%. Therefore, it is concluded from continuous contact with shareholders and investors that the application of the Remuneration Policy is aligned with the vote of shareholders.

B GLOBAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE YEAR-ENDED

B.1.1 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 Remunerations Committee, the decisions taken by the Board of Directors and, as the case may be, the identity and the role of the external advisors whose services have been used in the process to apply the remuneration policy in the year ended.

In line with the prevailing legislation and the Company's internal regulations, the Board of Directors is the competent body to apply the Directors' Remuneration Policy in force in the year, although the different decisions involved in this application are adopted upon the proposal or subject to a report of the Committee.

The Committee, which met on eight occasions in 2021, is made up of the following members at the date of this report:

Name	Position	Type
Jaime Real de Asúa Arteche	Chairman	External Independent
José María Aldecoa Sagastasoloa	Member	External Independent
Néstor Basterra Larroudé	Member	Other External Directors
Juan March de la Lastra	Member	External Nominee
Ignacio Marco-Gardoqui Ibañez	Member	External Independent
José Antonio Cortajarena Manchado	Non-member secretary	N/A

In all the processes for adopting their respective decisions, the committee and the Board of Directors have received information and advice from the company's internal services.

In this regard, it is worth noting:

- (i) Regarding the remuneration of directors in their capacity as such, the Policy in force in 2021 is applied as follows:
 - a. Attendance fees. Each director entitled to the accrued attendance fee is paid after each meeting of the Board of Directors, subject to the secretary verifying the attendance list.
 - b. Fixed remuneration: Payment of the amounts accrued by each director in their capacity as such for 2021 is subject to the approval of the financial statements for that year at the 2022 General Shareholders' Meeting, within the first six months of the year. Once these financial statements have been approved by the General Shareholders' Meeting, the corresponding resolution must be adopted by the Board of Directors to recognise and pay each director pursuant to the amounts set out in the Remunerations Policy.
- (ii) Regarding the remuneration of executive directors:
 - a. The individual fixed remuneration of each executive director for 2021 is determined in the Remuneration Policy approved by the General Shareholders' Meeting for 2021-2023. This salary is paid to the executive directors in 2021 on a monthly basis.
 - b. The settlement and recognition of the Annual Bonus accrued in 2021 was proposed by the Committee at its session on 16 February 2021 and was approved by the Board of Directors at its meeting on 24 February 2021. The degree to which the financial and operational targets have been met is based on the annual financial report duly audited under the terms set out and submitted to the shareholders for approval. The remaining targets are determined based on verified internal reports and public information (i.e. share

price).

- B.1.2 Explain any change in the procedure established to apply the remuneration policy that occurred in the year.

No changes occurred.

- B.1.3 Indicate if any temporary exceptions have been applied to the remunerations policy and, if they have been applied, 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 company considers that these exceptions are necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact of the application of these exceptions on the remuneration of each director in the year.

No temporary exception was 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 and adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been reached between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if any.

The answer to this section is completed with the explanations provided in section A.1. However, the following is highlighted:

- In relation to the remuneration of the directors in their capacity as such, the system to establish fixed remuneration and attendance fees, excluding the variable remuneration for business objectives, is an efficient instrument to reduce exposure to excessive risks and to include a long-term vision.
- With respect to the executive directors, the Remuneration Policy has an adequate remuneration mix (see section A.1.2), with the following essential elements:
 - A fixed component which accrues in any case, so it does not represent any exposure to risk; this fixed component remains unchanged during the Policy term.
 - Annual variable remuneration, with a temporary performance period of one year, linked to specific measurable business objectives - some of which are recurring since they constitute critical elements of the supervision of performance and enable comparisons with previous years-, aligned with the management budget and the provisions or guides provided to the market, which prevents the encouragement of the assumption of excessive risks. This is reinforced by the fact that the assessment is carried out once the duly audited financial statements and directors' report are available and the non-financial information statement for the year has been verified.
 - A reasonable balance is established between annual and multi-year remuneration.
- The long-term variable component (Three-year Plan) has a measurement period of three years, which moderates the undertaking of risks and offers the creation of value over a longer term than usual.

- Specifically, the Remunerations Policy approved by the 2021 General Shareholders' Meeting for 2021-2023 has reinforced the items aimed at reducing exposure to risk and at consolidating a suitable balance between the fixed and variable components of the remuneration. It is highlighted that the *clawback* clause has extended its applicability to the annual variable remuneration -until 2020 it only applied to long-term variable remuneration- and its term is extended from 12 to 24 months.

B.3 Explain how the remuneration accrued and vested over the year meets the provisions of the current remuneration policy and, in particular, how it contributes to the sustainable long-term returns of the company.

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, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors and how the latter contribute to the short- and long-term results of the company.

Remuneration accrued by directors in their capacity as such is determined in a fixed manner in the Remuneration Policy and is not determined by profit or other measures of the company's performance. Pursuant to this Policy, the total amount paid as attendance fees for these sessions of the Board of Directors and the accrual by each director of a fixed amount for membership on the Board of Directors, committees and positions, amounts to €1,606 thousand and falls within the statutory limit (article 29 of the Articles of Association and which is reproduced by the Remuneration Policy), which cannot exceed 1.5% of the annual consolidated cash profit before taxes, which totalled €176,420 thousand.

The fixed remuneration or salary of executive directors has been set in the Remuneration Policy on a fixed basis for 2021-2023, in line with the results obtained by the Company and the fixed remuneration paid by like-for-like companies in the market (section A.1.4).

With regard to the annual variable remuneration accrued by the executive directors, the objectives and metrics conditioning it are formed by the aggregates linked to the Group's consolidated profit, hence it is clear that this variable remuneration is tied to Company performance in terms of the specific amount to be received by each executive director (consequence of applying the percentage of attainment of each objective to the Target Incentive). And this degree of compliance has been determined by the Board of Directors at its meeting dated 24 February 2022, upon the proposal of the Committee, once it has received the duly audited financial statements and the individual and consolidated directors' reports, including the verification by a third-party verifier of the statement of non-financial information. The details of the foregoing may be verified in section B.7

The long-term variable remuneration accrued in 2021 is determined by the recognition, settlement and payment of the 2019-2021 Three-year Plan. In line with the terms of the 2019-2021 Three-year Plan approved by the General Shareholders' Meeting on 24 April 2020 (tenth agreement) and that set forth and anticipated in the 2020 Directors' Remuneration Report, the degree of compliance with the objectives was determined, upon the proposal of the Committee, by the Board of Directors following the end of 2021, once it had all the information on the attainment of the objectives, particularly at its session dated 24 February 2022, and it will proceed to its payment following the 2022 General Shareholders' Meeting. The 2019-2022 Three-year Plan essentially reflects - with a weight of 80% of the objectives - the creation of economic value and sustainability for the shareholders, in line with the more advanced standards in the area, measured as the sum of the changes in the price of shares in the Measurement Period, plus the dividends and other items. Also, 20% of objectives are tied to environmental sustainability and occupational safety factors aligned with the company's long-term sustainability value.

Lastly, regarding remuneration in kind, the Company has paid what is set out in the Policy (for a joint total for executive directors of €71,000), without this exceeding the limit of 20% of the fixed remuneration for executive directors.

- B.4 Report on the outcome of the consultative vote at the General Shareholders' Meeting on the annual remuneration report for the previous year, indicating the number of abstentions, votes in favour and against and blank votes cast:

	Number	% of total
Votes cast	38.180.584	82,1%

	Number	% of cast
Votes against	110.667	0,3
Votes in favour	37.814.020	99,00
Blank vote		
Abstentions	255.897	0,7

Remarks

- B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their proportion in relation to each director and how they have changed with respect to the previous year:

The remuneration of the members of the Board of Directors in their capacity as such consisted of applying the Remuneration Policy approved by the 2021 General Shareholders' Meeting, in force in the year:

- Chairman of the Board of Directors: €160,000/year.
- Director: €80,000/year.
- Chairman of the Audit Committee: €45,000/year
- Chairman of the Appointments, Remuneration and Sustainability Committee: €37,500/year
- Member of the Audit Committee: €30,000/year.
- Member of the Appointments, Remunerations and Sustainability Committee: €25,000/year
- Fixed remuneration of the Lead Director: €25,000/year

The changes with respect to 2020 involve the novelties introduced by the Remuneration Policy for 2021-2023:

- Increase in the remuneration for the Chairman of the Appointments, Remunerations and Sustainability Committee (from €30,000 to €37,500) and its members (from €20,000 to €25,000).
- The recognition of fixed remuneration for the Lead Director (€25,000).

Similarly, in 2021, in line with the Remuneration Policy, attendance fees were applied to remunerate the non-executive directors at the meetings of the Board of Directors: €3,000 for each meeting and director, with 11 Board of Directors meetings having been held.

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

The fixed annual remuneration of the executive directors for their duties is determined in the Remuneration Policy for the whole of 2021-2023, and was set at:

- Executive Chairman: 656.000.
- General Managing Director: 506.000€.

Such remuneration represents an increase of €50 thousand and €40 thousand for the Executive Chairman and the General Managing Director. This increase is determined in line with the proposal submitted to and approved by the 2021 General Shareholders' Meeting, in accordance with the results obtained by the Company in recent years and the external competitiveness of the remuneration package in relation to like-for-like companies, which was calculated with the advisory services of Willis Towers Watson.

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

In particular:

- a) Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated, duly explaining in detail the criteria and factors applicable with regard to the time required and methods to effectively verify the conditions of performance or any other type to which the accrual and vesting of each component of variable remuneration was linked.
- b) In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (vesting) and to exercise these options or financial instruments, including the price and term to exercise them.
- c) Each director and category (executive directors, proprietary external directors, independent external directors and other external directors) who are beneficiaries of remuneration systems or plans that include variable remuneration.
- d) As the case may be, information is to be provided on periods for the accrual, vesting or deferment of payment of vested amounts applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

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

Executive directors have accrued the following annual variable remuneration (Annual Bonus) in 2021:

- Executive Chairman:

Target Annual Bonus (targets met 100%): €459,000; maximum in the event of exceeding targets: 688.000€.

- o Group corporate targets (50% weighting): Degree of compliance 75%

- Economic-financial parameters, in terms of increased sales, EBITDA and net profit and share performance. Total weighting of 70% of the Group's corporate targets.

Degree of compliance: 79%

- Sustainability objectives in terms of the reduction of the ratio of tonnes of CO2 per million metres produced, accident rate reduction in terms of the seriousness index and the reduction of the ratio of tonnes of landfill waste per million metres produced. Total weighting of 30% of the Group's corporate targets.

Degree of compliance: 66%

- Individual objectives (30% weighted) and performance assessment (20% weighted). The individual targets are tied to growth, integration and efficiency improvement objectives in relation to different Group subsidiaries and the preparation of the 2025 Plan.

Degree of compliance 81%.

- Total degree of compliance: 78%.
- Amount of the 2021 Annual Bonus of the Executive Chairman: €358,100
- General Managing Director:

Target Annual Bonus (targets met 100%): €354,000; maximum in the event of exceeding targets: 531.000€.

- Group corporate targets (50% weighting): Degree of compliance 75%
 - Economic-financial parameters, in terms of increased sales, EBITDA and net profit and share performance. Total weighting of 70% of the Group's corporate targets.

Degree of compliance: 79%

- Sustainability objectives in terms of the reduction of the ratio of tonnes of CO2 per million metres produced, accident rate reduction in terms of the seriousness index and the reduction of the ratio of tonnes of landfill waste per million metres produced. Total weighting of 30% of the Group's corporate targets.

Degree of compliance: 66%

- Individual objectives (30% weighted) and performance assessment (20% weighted). The individual targets are tied to growth, integration and efficiency improvement objectives in relation to different Group subsidiaries and the preparation of the 2025 Plan.

Degree of compliance 81%.

- Total degree of compliance: 78%.
- Amount of the 2021 Annual Bonus of the General Managing Director: 276.200 €

These amounts will be paid in the first quarter of 2022.

Explain the long-term variable components of the remuneration systems

The 2020 General Shareholders' Meeting (resolution ten of the General Shareholders' Meeting of 24 April 2020) approved a Long-Term Incentive Plan for 2019-2021 for the Company's executive directors (2019-2021 Three-year Plan). The significant aspects to quantify its recognition are as follows:

- Amount and limits: The amounts and maximum number of shares for the executive directors, which were approved by the General Shareholder's Meeting, are as follows:
 - o For the Executive Chairman a maximum of €374,850 and 17,853 shares for achieving the Target (€449,820 and 21,424 shares if the Target is exceeded).
 - o For the General Managing Director a maximum of €288,540 and 13,742 shares for achieving the Target (€346,248 and 16,491 shares if the Target is exceeded).

- Metrics and weighting. Degree of compliance. At the Committee's proposal, at its meeting of 24 February 2022, the Board of Directors has determined the following degree of achievement of the 2019-2021 Three-year Plan.
 - o Total Shareholder Return (80% of the bond that may be increased up to 120% in the event of exceeding the target). Total Shareholder Return (TSR) measures the return on investment for the shareholder as a sum of the variation in the share price in the Measurement Period, plus dividends and other similar items received during this period. Based on the average listed price of the share in December 2019, i.e. €48.99, shareholder remuneration in the Measurement Period for dividends and fees to attend the Shareholders' Meeting of €5,68, with the average listed price of the share in the month at the end of the Measurement Period -December 2021- standing at €55.78, equivalent to a TRS of 7.9%, which means a bond percentage of 85.6%.
 - o Accident rate reduction (10% weight in the bond). Within the non-financial indicators, the Plan aims to reduce the accident rate, understood to be the reduction in the ratio of hours lost due to occupational accidents with a reduction on the total theoretical work hours during the Measurement Period. Considering the established starting point of 0.38%, an adjusted average accident rate of 0.347% was obtained, constituting a fall of 8.7% in the period, which represents a bond percentage of 10%.
 - o Environmental sustainability (10% weight in the bond).- With the aim of promoting the development of the circular economy and reducing the environmental impact of production activity, a new indicator was included that relates the ratio of tonnes of waste managed at the landfill to every million metres extruded. The objective consists of a minimum reduction in the ratio of four points and considering the current value of 1.18, a reduction of 7.1% is calculated with respect to 2018, which means a bond percentage of 6.5%.

In accordance with the foregoing, the degree of compliance with the 2019-2021 Three-year Plan is 102.1%.

- Amounts, settlement and payment. In line with that set forth above, the number of shares and amounts due to the executive directors are as follows:
 - o Executive Chairman:
 - Number of shares: 18.228
 - Cash amount: 382.722€
 - o General Managing Director:
 - Number of shares: 14.031

- Cash amount: 294.599€

The gross amount broken down as remuneration accrued in the year of the executive directors will include the amount resulting from multiplying the number of consolidated shares by their market price at market close on 31 December 2021 (€56.9), considering as such the consolidation and accrual date, although in line with the terms of the Plan, the delivery of the shares and payment of the recognised amount is expected to take place once the 2022 General Shareholders' Meeting has been held.

- B.8 Indicate whether certain variable components accrued were reduced or clawed back when, for the former, there were deferred payments of non-vested amounts or, for the latter, they were vested and paid, on the basis of data that were subsequently proven to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction or clawback clauses, why they were implemented and the years to which they refer.

No circumstances arose that would have entailed the reimbursement of variable remuneration.

- B.9 Explain the main characteristics of the long-term savings systems in which the amount or equivalent annual cost appears in the tables in section C, including retirement and any other survivor benefit, which are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions for vesting economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

Not applicable. The Remuneration Policy does not cover long-term savings systems.

- B.10 Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract, upon the terms provided for therein, accrued and/or received by directors during the year ended.

Not applicable. Did not occur

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

In 2021, the contracts of the executive directors were adapted to the new Remuneration Policy, in particular: with regard to the two-year non-compete agreement envisaged, the compensation is deemed to be included in the compensation contemplated for the termination of the relationship.

- B.12 Explain any additional remuneration paid to directors for services rendered other than those inherent in their position.

Not applicable. There was no supplementary remuneration.

- B.13 Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics, amounts eventually returned and obligations taken on through guarantee or collateral.

Not applicable. Did not occur

- B.14 Itemise the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components.

The remuneration in kind accrued in 2021 for the items contemplated by the Policy (life/accident insurance premiums, healthcare and vehicles) was €21 thousand for the Executive Chairman and €50 thousand for the General Managing Director.

- B.15 Explain the remuneration accrued by directors by virtue of payments made by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

Not applicable. Did not occur

- B.16 Explain and detail the amounts accrued in the year in relation to any other remuneration item other than the foregoing, whatever its nature or group company paying it, including all the benefits in all their forms, such as when they have the consideration of related party transactions or, especially, when they significantly affect the fair presentation of the total remuneration accrued by the director, having to explain the amount granted or pending payment, the type of consideration received and the reasons why it would have been considered, where appropriate, that it does not constitute remuneration to the director in their capacity as such or consideration for the performance of their executive functions, and whether it was considered appropriate or not to include them among the amounts accrued in the "Other items" heading of section C.

Not applicable. Did not occur.

C INDIVIDUAL REMUNERATION CORRESPONDING TO EACH DIRECTOR

Name	Type	Accrual period year t
JOSE DOMINGO AMPUERO OSMA	EXECUTIVE CHAIRMAN	From 01/01/2021 to 31/12/2021
JOSE ANTONIO CANALES GARCIA	EXECUTIVE DIRECTOR	From 01/01/2021 to 31/12/2021
IGNACIO MARCO-GARDOQUI IBAÑEZ	INDEPENDENT VICE CHAIRMAN	From 01/01/2021 to 31/12/2021
JOSÉ MARÍA ALDECOA SAGASTASOLOA	DIRECTOR	From 01/01/2021 to 31/12/2021
JAIME REAL DE ASÚA Y ARTECHE	INDEPENDENT DIRECTOR	From 01/01/2021 to 31/12/2021
NESTOR BASTERRA LARROUDÉ	OTHER EXTERNAL DIRECTOR	From 01/01/2021 to 31/12/2021
AGATHA ECHEVARRIA CANALES	OTHER EXTERNAL DIRECTOR	From 01/01/2021 to 31/12/2021
JUAN MARCH DE LA LASTRA	NOMINEE DIRECTOR	From 01/01/2021 to 31/12/2021
SANTIAGO DOMEcq BOHORQUEZ	NOMINEE DIRECTOR	From 01/01/2021 to 31/12/2021
LAURA GONZALEZ MOLERO	INDEPENDENT DIRECTOR	From 01/01/2021 to 31/12/2021
CARMEN DE PABLO REDONDO	INDEPENDENT DIRECTOR	From 01/01/2021 to 31/12/2021

C.1 Complete the following tables on the individual remuneration of each of the directors (including remuneration for carrying out executive functions) accrued during the fiscal year.

a) Remuneration from the reporting company:

i) Remuneration in cash (in thousands of €)

Name	Fixed Remuneration	Attendance fees	Board committee membership remuneration	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Others	Total year 2021	Total year 2020
JOSE DOMINGO AMPUERO OSMA	160	-	-	656	358	383	0	0	1557	1.234
JOSE ANTONIO CANALES GARCIA	80	-	-	506	276	295	0	0	1157	906
IGNACIO MARCO-GARDOQUI IBAÑEZ	80	33	55	0	0	0	0	0	168	154
JOSÉ MARÍA ALDECOA SAGASTASOLOA	80	33	55	0	0	0	0	25	193	166
JAIME REAL DE ASÚA Y ARTECHE	80	33	38	0	0	0	0	0	151	146
NESTOR BASTERRA LARROUDÉ	80	33	25	0	0	0	0	0	138	136
AGATHA ECHEVARRIA CANALES	80	33	30	0	0	0	0	0	143	146
JUAN MARCH DE LA LASTRA	80	31	25	0	0	0	0	0	136	136
SANTIAGO DOMEcq BOHORQUEZ	80	28	30	0	0	0	0	0	138	146
LAURA GONZALEZ MOLERO	80	33	45	0	0	0	0	0	158	156
CARMEN DE PABLO REDONDO	80	31	30	0	0	0	0	0	141	97

Remarks
In Other Concepts, the remuneration of the director Mr. Jose María Aldecoa Sagastasoloa has been indicated for his functions as Lead Director, as established in the remuneration policy of the Board of Directors.

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

Name	Name of Plan	Financial instruments at start of year t		Financial instrument granted in the year t		Financial instrument consolidated in the year				Instruments matured but not exercised	Financial instruments at end of year t	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent/vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousand €)	No. instruments	No. instruments	No. equivalent shares
JOSE DOMINGO AMPUERO OSMA	2019-2021 Three-year Plan					18,228	18,228	56.90	1,037			
JOSE ANTONIO CANALES GARCIA	2019-2021 Three-year Plan					14,031	14,031	56.90	798			

Remarks

iii) Long-term savings systems

	Remuneration from vesting of rights to savings systems
Director 1	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Savings systems with vested economic rights	Savings systems with no vested economic rights	Savings systems with vested economic rights	Savings systems with no vested economic rights
Director 1								

Remarks

iv) Details of other items

Name	Concept	Amount
JOSE DOMINGO AMPUERO OSMA	Life and accident insurance premiums Healthcare policy Company car	21
JOSE ANTONIO CANALES GARCIA	Life and accident insurance premiums Healthcare policy Company car	50

Remarks

b) Remuneration to directors of the listed company due to their membership on the governing bodies of their subsidiaries:

i) Remuneration in cash (in thousands of €)

Name	Fixed Remuneration	Attendance fees	Board committee membership remuneration	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Others	Total year t	Total year t-1
Director 1										
Director 2										

Remarks

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

Name	Name of Plan	Financial instruments at start of year t		Financial instrument granted in the year t		Financial instrument consolidated in the year				Instruments matured but not exercised	Financial instruments at end of year t	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	Nº Acciones equivalentes / consolidadas	Precio de las acciones consolidadas	No. instruments	No. equivalent shares	No. instruments	No. equivalent shares
Director 1	Plan 1											
	Plan 2											

Remarks

iii) Long-term savings systems

	Remuneration from vesting of rights to savings
Director 1	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with non-vested economic rights		Sistemas de ahorro con derechos económicos no consolidados		Year t		Year t-1	
	Year t	Year t-1	Year t	Year t-1	Savings systems with vested economic rights	Savings systems with no vested economic rights	Savings systems with vested economic rights	Savings systems with no vested economic rights
	Director 1							

Remarks

iv) Details of other items

Name	Concept	Amount
Director 1		

Remarks

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

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

Name	Remuneration accrued at the Company					Remuneration accruing to group companies					Total Group year 2021
	Total Cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings systems	Remuneration from other concepts	Company total year 2021	Total Cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings systems	Remuneration from other concepts	Group total year 2021	
JOSE DOMINGO AMPUERO OSMA	1557	1037	0	21	2615	0	0	0	0	0	2615
JOSE ANTONIO CANALES GARCIA	1157	798	0	50	2005	0	0	0	0	0	2005
IGNACIO MARCO-GARDOQUI IBAÑEZ	168	0	0	0	168	0	0	0	0	0	168
JOSÉ MARÍA ALDECOA SAGASTASOLOA	193	0	0	0	193	0	0	0	0	0	193
JAIME REAL DE ASÚA Y ARTECHE	151	0	0	0	151	0	0	0	0	0	151
NÉSTOR BASTERRA LARROUDÉ	138	0	0	0	138	0	0	0	0	0	138
AGATHA ECHEVARRIA CANALES	143	0	0	0	143	0	0	0	0	0	143
JUAN MARCH DE LA LASTRA	136	0	0	0	136	0	0	0	0	0	136
SANTIAGO DOMEQ BOHORQUEZ	138	0	0	0	138	0	0	0	0	0	138
LAURA GONZALEZ MOLERO	158	0	0	0	158	0	0	0	0	0	158
CARMEN DE PABLO REDONDO	141	0	0	0	141	0	0	0	0	0	141
TOTALS	4080	1835	0	71	5986	0	0	0	0	0	5986

Remarks

C.2 Indicate the changes in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed companies with such status in the year, of the consolidated results of the company and of the average remuneration on an equivalent full-time basis of the employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year 2021	% Variation 2021/2020	Year 2020	% Variation 2020/2019	Year 2019	% Variation 2019/2018	Year 2018	% Variation 2018/2017	Year 2017
Executive Directors									
JOSE DOMINGO AMPUERO OSMA	2,615	108.37%	1,255	21.61%	1,032	-12.17%	1,175	36.79%	859
JOSE ANTONIO CANALES GARCIA	2,005	110.61%	952	21.12%	786	0.26%	784	22.12%	642
External Directors									
IGNACIO MARCO-GARDOQUI IBAÑEZ	168	9.09%	154	-4.35%	161	-3.01%	166	-5.14%	175
JOSÉ MARÍA ALDECOA SAGASTASOLOA	193	16.27%	166	0.00%	166	9.21%	152	6.29%	143
JAIME REAL DE ASÚA Y ARTECHE	151	3.42%	146	0.00%	146	2.10%	143	0.00%	143
NÉSTOR BASTERRA LARROUDÉ	138	1.47%	136	0.00%	136	-49.82%	271	-41.47%	463
AGATHA ECHEVARRIA CANALES	143	-2.05%	146	0.00%	146	-40.41%	245	-36.86%	388
JUAN MARCH DE LA LASTRA	136	0.00%	136	2.26%	133	2.31%	130	-2.26%	133
SANTIAGO DOMEQ BOHORQUEZ	138	-5.48%	146	2.10%	143	2.14%	140	-2.10%	143
LAURA GONZALEZ MOLERO	158	1.28%	156	6.85%	146	78.05%	82	N/A	0
CARMEN DE PABLO REDONDO	141	45.36%	97	N/A	0	N/A	0	N/A	0
Consolidated Results (before taxes)	176,420	10.50%	159,656	22.75%	130,064	-11.70%	147,299	1.34%	145,357
Average remuneration of employees	33	3.13%	32	-3.03%	33	6.45%	31	0.00%	3031

The significant variations in remuneration in 2021 with respect to 2020 related to the executive directors and are due essentially to the consolidation and accrual of the 2019-2021 Three-year Plan and, to a lesser extent, to the update of the fixed remuneration approved in the 2021-2023 Remuneration Policy; the variations in the remuneration of the directors in their condition as such are due exclusively to differences in their permanence in their position from one year to another.

With respect to 2017 and 2018, the significant variations are due to the elimination of the Executive Committee in 2018 with the concomitant reduction of the remuneration of the directors forming it.

D OTHER INFORMATION OF INTEREST

If there are any relevant aspects relating to directors' remuneration that you have not been able to describe in other sections of this report but that are necessary to provide more comprehensive and fully 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 company's Board of Directors at its meeting on 24/02/2022.

Indicate whether any board members voted against or abstained from voting on approving the present Report.

Yes No

Nombre o denominación social de los miembros del consejo de administración que no ha votado a favor de la aprobación del presente informe	Motivos (en contra, abstención, no asistencia)	Explique los motivos