

## Remuneration Policy of Befesa S.A.

This Remuneration Policy sets out the principles and framework governing the compensation of the members of the Board of Directors. It is designed to support the Company’s long-term strategy, promote sustainable value creation, and ensure alignment with the interests of shareholders and other stakeholders, in accordance with the requirements of Article 7 bis of the Luxembourg law of 24 May 2011 on Shareholder Rights, as amended.

### **A. Principles of the Remuneration Policy**

This Remuneration Policy is guided by key principles aimed at attracting, retaining, and motivating the Company’s professionals. It supports the achievement of strategic objectives within a highly competitive and globalized business environment by applying appropriate and effective remuneration measures and practices.

---

|                       |  |
|-----------------------|--|
| <b>Value creation</b> | Remuneration is structured to align with Befesa’s commitment to growth, efficiency, and the long-term creation of sustainable value for shareholders, employees, customers, and broader stakeholders. The policy supports behaviours and outcomes that contribute to the strategic success and resilience of the business, ensuring that compensation frameworks are consistent with sustainable value creation across all stakeholder groups. |
|-----------------------|--|

---

|                            |   |
|----------------------------|---|
| <b>Pay for performance</b> | A significant portion of the total remuneration for the Executive Director is performance-based, ensuring alignment between individual contributions and the Company’s overall business results. The variable component is subject to the achievement of clearly defined financial, business, value creation, and non-financial objectives—including sustainability targets—that are predetermined, specific, and aligned with the Company’s strategic objectives. These performance indicators guide both short- and long-term incentive plans, reinforcing accountability and sustainable value creation. |
|----------------------------|---|

---

|                        |   |
|------------------------|---|
| <b>Competitiveness</b> | To attract and retain the best professionals, the remuneration package is designed to be competitive in both structure and overall amount, benchmarked against relevant industry peers at an international level. The peer group is composed of companies operating primarily in the environmental services, steel and related industrial sectors, reflecting Befesa’s business model. The Company generally aims to position target remuneration around the median of the peer group. This ensures the Company remains well-positioned to secure top talent while maintaining a balanced approach that avoids excessive or unjustified pay outcomes. |
|------------------------|---|

---

|                                  |   |
|----------------------------------|---|
| <b>Good Corporate Governance</b> | In establishing the remuneration of the Board of Directors, the Company duly considers ongoing developments in regulations, best practices, and both national and international guidelines and trends applicable to listed companies. The Nomination and Remuneration Committee is entrusted with overseeing the policy to ensure full compliance with applicable legal, regulatory, and ethical standards. Furthermore, remuneration arrangements incorporate appropriate safeguards to mitigate excessive risk-taking and include malus and clawback mechanisms where deemed necessary. |
|----------------------------------|---|

---

|                                  |   |
|----------------------------------|---|
| <b>Fairness and transparency</b> | The Company ensures a high level of transparency in remuneration, consistent with best corporate governance practices, to build trust among all stakeholders, including shareholders and investors. Remuneration practices are applied consistently across the organization to promote internal equity, with clear and accessible communication that meets governance expectations for both employees and external stakeholders. In line with this commitment, the Company provides detailed disclosure in the annual Remuneration Report regarding the peer group composition criteria, benchmarking approach, performance targets and their achievement, in accordance with applicable legal and governance requirements. |
|----------------------------------|---|

---

## **B. New developments in the Remuneration Policy**

The revised Remuneration Policy represents a significant step forward in reinforcing clarity, transparency and alignment with shareholders' interests, while remaining firmly grounded in the core principles of the previous policy. The amendments reflect a thorough review of market practices, evolving corporate governance standards and the feedback received in recent years from proxy advisors and investors.

|   |   |
|---|---|
| <p><b>Enhanced transparency and predictability of remuneration outcomes</b></p> | <p>The new Policy significantly improves transparency by clearly illustrating the remuneration mix under different performance scenarios. The expected pay mix at minimum, target and maximum achievement levels is explicitly disclosed, allowing shareholders to better understand how remuneration outcomes evolve in line with performance. In addition, target and maximum opportunity levels for both the Annual Bonus and the Long-Term Incentive are clearly defined as percentages of base salary, materially enhancing predictability and facilitating an informed assessment of remuneration outcomes.</p>   |
| <p><b>Clear definition of target and maximum incentive opportunities</b></p>    | <p>The Policy introduces a more explicit and robust framework around incentive opportunities by specifying, for each variable remuneration component, both target and maximum levels. This applies consistently to the Annual Bonus and the Long-Term Incentive Plan, strengthening the link between performance and pay while avoiding ambiguity around potential pay outcomes.</p>  |
| <p><b>Meaningful reduction in maximum remuneration levels</b></p>               | <p>As part of a more disciplined and prudent approach to executive remuneration, the maximum total annual remuneration applicable to the Executive Director has been reduced by more than 25%, from EUR9.0 million to EUR6.7 million. This reduction responds directly to investor feedback and demonstrates the Company's commitment to moderation, proportionality and alignment with prevailing market and governance expectations.</p>  |
| <p><b>Stronger focus on financial performance and value creation</b></p>        | <p>The revised Policy reinforces the principle of pay for performance by increasing the relative weight of financial and value creation metrics within both short- and long-term incentive plans. Financial performance indicators continue to represent the substantial majority of incentive outcomes, ensuring that remuneration is closely tied to measurable business results, shareholder returns and long-term value creation, in line with best market practice. Moreover, the Relative TSR performance scale has been strengthened, with a higher minimum TSR threshold required for the LTI to start vesting.</p>   |
| <p><b>Greater transparency and structure around ESG objectives</b></p>          | <p>Transparency around sustainability-related objectives has been materially enhanced. The Policy provides clearer disclosure of the ESG metrics included in both the Annual Bonus and the Long-Term Incentive, supported by structured scorecards, clearly defined objectives, performance indicators and assessment ranges. This approach ensures that ESG considerations are meaningfully integrated into remuneration in a transparent, consistent and measurable manner, reinforcing the Company's commitment to sustainable value creation.</p>   |
| <p><b>Reduced discretion and strengthened governance safeguards</b></p>         | <p>The revised Policy introduces a more prescriptive and formalised framework governing the exercise of discretion by the Board. Discretion has been reduced overall, and where it remains necessary, it is subject to clearer principles, stricter governance safeguards and enhanced disclosure.</p> <p>In particular, the Policy now provides a detailed and transparent framework governing the application of temporary deviations in genuinely exceptional circumstances. It clearly defines the remuneration elements that may be subject to temporary exceptions, the limited situations in which such exceptions may apply, and the governance process required for their approval, including a reasoned proposal by the Nomination and Remuneration Committee, formal approval by the Board of Directors and full disclosure to shareholders.</p> <p>Governance safeguards have been further reinforced through clearer and more robust malus and clawback provisions, alongside share ownership guidelines requiring Executive Directors to maintain a meaningful long-term equity stake in the Company, thereby strengthening alignment with shareholders' interests.</p> |

The table below summarises the key changes introduced in the 2026 Remuneration Policy compared to the previous Remuneration Policy approved in 2023:

|                             |                           | Remuneration Policy 2023  | Remuneration Policy 2026  |
|-----------------------------|---------------------------|---|---|
| <b>Fixed Elements</b>       | <b>Annual Base Salary</b> | Fixed annual base salary reflecting the role and responsibilities of the Executive Director.  | No changes.   |
|                             | <b>Fringe Benefits</b>    | Benefits in line with market practice, including company car, insurance and other benefits in kind.   | No changes.   |
|                             | <b>Pension</b>            | Executive Directors were not entitled to any private pension arrangements.  | No changes.   |
| <b>Annual Bonus</b>         | <b>Opportunity</b>        | <ul style="list-style-type: none"> <li>Target: Not disclosed.</li> <li>Maximum: 200% of target amount.</li> </ul>   | <ul style="list-style-type: none"> <li>Target: 100% of Base salary.</li> <li>Maximum: 200% of Base Salary.</li> </ul>   |
|                             | <b>Metrics</b>            | Combination of financial, cash-related, strategic and ESG objectives, without explicit caps for financial and non-financial metrics.  | Financial metrics represent at least 70%, with non-financial metrics capped at 30%.   |
|                             | <b>Settlement</b>         | Annual Bonus paid in cash.  | No changes.   |
| <b>Long-Term Incentive</b>  | <b>Opportunity</b>        | <ul style="list-style-type: none"> <li>Target: Not disclosed.</li> <li>Maximum achievement: 200% of target.</li> <li>Maximum payout: 600% of target amount.</li> </ul>  | <ul style="list-style-type: none"> <li>Target: 150% of Base Salary.</li> <li>Maximum: 300% of Base Salary.</li> <li>Maximum payout would be limited by the maximum compensation provision.</li> </ul>   |
|                             | <b>Metrics</b>            | <ul style="list-style-type: none"> <li>75% financial metrics, comprising: <ul style="list-style-type: none"> <li>25% Relative TSR, measured against MDAX.</li> <li>30% EBITDA CAGR.</li> <li>20% OCF CAGR.</li> </ul> </li> <li>25% ESG Metrics.</li> </ul> | <p>For Tranche IX:</p> <ul style="list-style-type: none"> <li>80% financial metrics, comprising: <ul style="list-style-type: none"> <li>30% Relative TSR measured against DAX and MDAX*.</li> <li>30% EBITDA CAGR.</li> <li>20% OCF CAGR.</li> </ul> </li> <li>20% ESG Metrics, assessed through a structured sustainability scorecard.</li> </ul> <p>* Higher minimum TSR threshold is required.</p> |
|                             | <b>Instruments</b>        | Performance-based equity-linked instruments.  | No changes.   |
|                             | <b>Performance period</b> | Three-year performance period with overlapping tranches.  | No changes.   |
| <b>Maximum Compensation</b> | <b>Overall Cap</b>        | Maximum total annual remuneration capped at EUR 9.0 million.  | Maximum total annual remuneration capped at EUR 6.7 million.  |
| <b>Discretion</b>           |                           | Possibility of exercising discretion by the Board when determining the target achievement. A section on temporary deviations from policy was included.  | Discretion has been reduced overall. More prescriptive and formalised framework governing the exercise of discretion by the Board.  |

In developing this revised Remuneration Policy, the Company has taken into account feedback from proxy advisors and investors, as well as evolving good corporate governance standards. The review and redesign was supported by Willis Towers Watson (WTW), acting as an independent external remuneration advisor, providing market benchmarking and governance expertise to ensure the Policy is robust, transparent and aligned with international best practice.

## C. Remuneration of the Executive Director

### 1) Remuneration components

The remuneration of the Executive Director consists of a combination of fixed and variable elements. The fixed instruments include the annual base salary and fringe benefits. The variable remuneration consists of the one-year variable remuneration (Annual Bonus) and the long-term variable remuneration (Long-Term Incentive Plan or LTI):

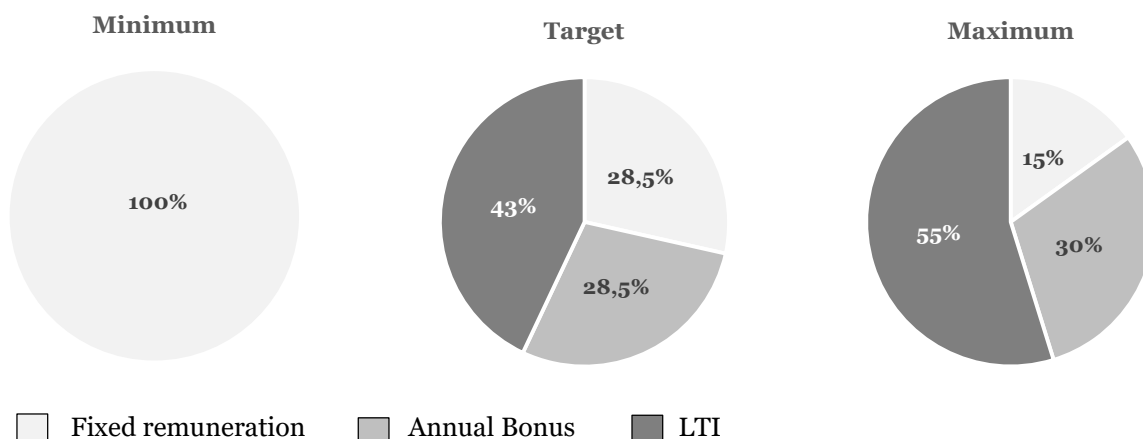


### 2) Remuneration Pay-mix

The Remuneration Policy establishes an appropriate balance between the fixed and variable components of remuneration, with the proposed pay mix and overall remuneration quantum aligned with the market benchmarking performed by the Company and generally positioned around the median of the selected peer group.

For illustrative purposes, the chart below shows the Executive Director's (CEO's) potential annualised remuneration at different achievement levels for 2026 financial year, the first year of this Remuneration Policy:

| <b>Fixed Remuneration</b>        | All scenarios | Base Salary + Fringe Benefits     |
|----------------------------------|---------------|-----------------------------------|
| <b>Annual Bonus</b>              | Minimum       | No incentive payment will be made |
|                                  | Target        | 100% of Base Salary               |
|                                  | Maximum       | 200% of Base Salary               |
| <b>Long-Term Incentive (LTI)</b> | Minimum       | No incentive payment will be made |
|                                  | Target        | 150% of Base Salary               |
|                                  | Maximum       | 300% of Base Salary               |



### 3) Details of the remuneration components of the Executive Director

#### Annual Base Salary

|                                     |  |
|-------------------------------------|--|
| <b>Purpose and link to strategy</b> | To attract and retain Executive individuals with necessary experience and expertise to execute Company's strategy effectively.   |
| <b>Operation</b>                    | May be subject to an annual review. Compensation reflects responsibility, leadership, and performance within the organization, ensuring it is competitive and appropriate for executive roles.   |
| <b>Opportunity</b>                  | The annual base salary is paid on a monthly basis in cash.<br>Salaries may be increased each year (in percentage) in line with general workforce increases. Increases beyond those granted to the wider workforce may be awarded in limited circumstances and will be explained in the relevant Remuneration Report. |

#### Fringe Benefits

|                                     |  |
|-------------------------------------|--|
| <b>Purpose and link to strategy</b> | Aims to recognize seniority, retain, foster engagement, and enable wellbeing. Ensures adequate and market common compensation.               |
| <b>Operation</b>                    | The Executive Director may receive a benefit package which includes company car, insurance allowances or other benefits in kind.             |
| <b>Opportunity</b>                  | There is no maximum as the value of the benefits may vary from year to year depending on the cost to the Company from third-party providers. |

#### Pension

The Executive Directors are not entitled to any private pension schemes.

#### One-year variable remuneration (Annual Bonus)

|                                     |  |
|-------------------------------------|--|
| <b>Purpose and link to strategy</b> | To recognize and reward annual performance against predetermined financial and non-financial (operational, strategic, sustainability) objectives that support the achievement of the Company's strategic priorities and long-term sustainable success.   |
| <b>Operation</b>                    | At the beginning of each financial year, the Board of Directors, based on a proposal from the Nomination and Remuneration Committee, sets the performance measures, weightings, and targets for the Annual Bonus. Performance targets are set at demanding and challenging levels, reflecting both the Company's annual budget and long-term strategic plan, as well as external market conditions. These criteria are reviewed annually to ensure continued alignment with Befesa's strategic objectives and market environment.<br><br>As a general rule, for the purpose of calculating the payout corresponding to each performance measure, a performance scale is determined which includes a minimum threshold below which no Annual Bonus is paid. In the case of 100% performance, the Target Amount (adjusted by the corresponding weighting of the KPI) will be paid. In the case of maximum objective performance, the Maximum Opportunity will be received. |

|                             |  |
|-----------------------------|--|
|                             | At the end of the financial year, the Board of Directors, upon the proposal of the Nomination and Remuneration Committee, determines the Annual Bonus to be awarded based on the overall payout. The specific weights and parameters applicable each year are disclosed in the corresponding Remuneration Report.  |
| <b>Maximum opportunity</b>  | <p>The Target Amount is set at 100% of base salary.</p> <p>The Maximum Opportunity is capped at 200% of base salary.</p>   |
| <b>Performance measures</b> | <p>The Company's Annual Bonus performance measures comprise a balanced mix of financial and non-financial key performance indicators (KPIs):</p> <ul style="list-style-type: none"> <li>• Financial measures remain the primary determinant of the Annual Bonus as they provide a clear link between executive performance and value delivered to shareholders. Financial KPIs may include, but are not limited to, EBIT, EBITDA, net debt, and cash flow. At least 70% of the total weighting is allocated to financial KPIs, ensuring remuneration remains grounded in measurable outcomes.</li> <li>• To complement this financial focus, the annual bonus also incorporates non-financial measures that reflect strategic progress, operational excellence, and the Company's commitment to sustainability. Their overall weight shall not exceed 30%.</li> </ul> <p>The performance measures will generally be quantitative, so that their achievement can be measured as objectively as possible. Qualitative KPIs are used selectively to assess areas not fully measurable through quantitative indicators, such as progress on strategic transformation and ESG integration. To ensure fairness and consistency, the Nomination and Remuneration Committee evaluates qualitative KPIs using a structured judgement framework informed by internal reporting, ESG disclosures, strategy execution updates, stakeholder and workforce feedback, as well as independent benchmarks.</p> <p>For the 2026 financial year, the Board of Directors, based on a proposal from the Nomination and Remuneration Committee, has established the following performance criteria and weightings:</p> <ul style="list-style-type: none"> <li>• 40% EBITDA.</li> <li>• 30% Net debt.</li> <li>• 15% ESG: KPIs focus on the Company's progress in key environmental, social and governance priorities, including, among others, cybersecurity, as well as environmental and climate change, health and safety, and diversity and inclusion and are based on clearly defined objectives and measurable indicators, such as safety performance, emissions reduction targets and externally assessed ESG ratings where applicable. The assessment of ESG KPIs is carried out by the Nomination and Remuneration Committee using a structured scorecard, which ensures consistency, transparency and alignment with the Company's sustainability priorities. These criteria are designed to go beyond baseline compliance requirements and reflect measurable improvements in sustainability performance.</li> <li>• 15% Execution of strategic initiatives and operational reliability: KPIs focus on the effective execution of the Company's strategic priorities and the consistent, safe and reliable operation of its assets. These measures assess progress in delivering key transformation initiatives, strengthening operational resilience, and ensuring disciplined implementation of the Company's business plan. They may include, among others, progress in portfolio optimization, operational efficiency initiatives, risk management, and the timely and effective execution of approved capital projects.</li> </ul> |

## Long-Term variable remuneration (LTI)

**Purpose and link to strategy** To incentivise and reward the successful execution of the Company’s long-term strategy and sustainable value creation, aligning executive remuneration with long-term performance and shareholders’ interests over a multi-year period.

**Operation** The long-term incentive scheme will be a long-term performance-based incentive plan structured through instruments linked to the evolution of the Company’s share price such as performance shares and / or phantom performance shares. In any case, performance is assessed over a multi-year period and subject to predefined performance ranges, with payouts capped at a maximum level.

Awards will vest after a performance period of at least three (3) years, subject to the achievement of various financial and non-financial performance metrics. The plan is fully performance-based and does not include restricted shares or retention-based awards.

On those grounds, the new Long-Term Incentive Plan in place has a total duration of six (6) years. It is divided into four (4) independent and overlapping tranches, each with a performance period of three (3) years, according to the following calendar:

- Tranche IX: 2026-2028.
- Tranche X: 2027-2029.
- Tranche XI: 2028-2030.
- Tranche XII: 2029-2031.

The LTI is implemented through the granting of a target incentive amount set as a percentage of base salary for each tranche. This target amount constitutes the starting point of the award and is converted into a certain number of (phantom) performance shares at the beginning of the performance period, based on the average closing price of the Company’s shares over the ten (10) trading days immediately preceding the start of such period.

At the end of each three (3)-year performance period, the Nomination and Remuneration Committee shall determine the degree of fulfilment of the performance conditions and, consequently, the level of vesting of the LTI award. The Executive Director will have the right to receive the dividend equivalents on the earned (phantom) performance shares during the performance period.

**Maximum opportunity (value at grant)** The Target LTI is set at 150% of base salary  
The Maximum LTI Opportunity is capped at 300% of base salary.

**Maximum opportunity (value at vesting)** At the end of the performance period, the final settlement is determined by multiplying the initial number of (phantom) performance shares by the average closing price of the Befesa share over the last ten (10) trading days prior to the end of the performance period, including any applicable dividend equivalents. The resulting value is adjusted in accordance with the level of performance achieved.

The overall payout is subject to an overall cap on total remuneration, as set out in the “Maximum Compensation” section below. Total remuneration comprises base salary, annual bonus, long-term incentive and fringe benefits.

If the aggregate total remuneration for the relevant financial year would exceed the cap set out in the “Maximum Compensation” section because of the vesting and valuation of the (phantom) performance shares, the value attributable to them shall be reduced accordingly so that total remuneration does not exceed such cap. This reduction shall be implemented by limiting the effective share price appreciation taken into account for the valuation of the (phantom) performance shares.

For illustration purposes, in a scenario where the Annual Bonus reaches its maximum payout level (200% of base salary) and the maximum target achievement level under the Long-Term Incentive Plan is attained (300% of base salary), and taking into account the overall remuneration cap set out in the “Maximum Compensation” section, the share price appreciation recognised for the purposes of the (phantom) performance shares shall not exceed 45% of the share price at grant<sup>1</sup>.

## Performance measures

The performance measures may be based on a combination of financial and non-financial targets. The performance measures will generally be quantitative and must account for at least 80% of total LTI. Therefore qualitative measures shall not exceed 20%.

Financial performance measures shall represent no less than seventy per cent (70%) of the total weighting and may include, but are not limited to, Total Shareholder Return (TSR), EBITDA compound annual growth rate (CAGR) and Operating Cash Flow (OCF) compound annual growth rate. The weighting of non-financial measures shall not exceed thirty per cent (30%) and may include, but are not limited to operational and sustainability-related metrics.

For the 2026 financial year, the Board of Directors, based on a proposal from the Nomination and Remuneration Committee has established the following performance criteria and weightings for the LTI Tranche IX (2026-2028):

- 30% Relative Total Shareholder Return (TSR) measured against MDAX (50%) and SDAX (50%).
- 30% EBITDA CAGR.
- 20% Operating Cash Flow CAGR.
- 20% Sustainability KPIs. Environmental, social and governance objectives are assessed through a scorecard of indicators aligned with the Group’s key sustainability priorities. The scorecard may include, on a non-exhaustive basis, the following KPIs:
  - Climate & decarbonization, including execution of the CO<sub>2</sub> reduction roadmap and monitoring of CO<sub>2</sub> intensity metrics in support of the 2030 reduction target and the Group’s long-term net-zero ambition.
  - Health and safety performance, including audit coverage against corporate safety standards.
  - CSRD data readiness, including internal audits and quality of ESG reporting.
  - Cyber resilience of critical information systems, measured through system recovery tests.
  - Training and social standards, including increased training hours per employee and implementation of a Human Rights Due Diligence process.
  - Risk, compliance, and ethical sourcing, including whistleblowing processes and supplier coverage under the Supplier Code of Conduct or equivalent standards.

<sup>1</sup> For purposes of this calculation, a fixed annual remuneration of EUR 900 thousand has been assumed.  
 Befesa S.A. - Remuneration Policy (version 2026)

For each performance measure, the Board of Directors, upon proposal of the Nomination and Remuneration Committee, establishes a specific performance scale. The performance scales applicable to the main financial and non-financial performance metrics for Tranche IX (2026–2028) are set out below. These scales range from 0% to a maximum payout of 200%.

Performance scale - Relative TSR

| Relative TSR Befesa vs. Index | Payout |
|-------------------------------|--------|
| 25 pp                         | 200%   |
| 12.5 pp                       | 150%   |
| 0 pp                          | 100%   |
| -12.5 pp                      | 50%    |
| <-12.5 pp                     | 0%     |

Performance scale – EBITDA CAGR

| EBITDA CAGR 2026-2028 | Payout |
|-----------------------|--------|
| >=10%                 | 200%   |
| 8%                    | 150%   |
| 6%                    | 100%   |
| 4%                    | 75%    |
| 2%                    | 50%    |
| <=0%                  | 0%     |

Performance scale – Operating Cash Flow CAGR

| OCF CAGR 2026-2028 | Payout |
|--------------------|--------|
| >=10%              | 200%   |
| 8%                 | 150%   |
| 6%                 | 100%   |
| 4%                 | 75%    |
| 2%                 | 50%    |
| <=0%               | 0%     |

Performance scale – Sustainability KPIs scorecard

| Assessment                       |  | Payout    |
|----------------------------------|--|-----------|
| Significantly above expectations | Performance materially exceeds the calibrated maximum reference levels across the majority of indicators | 150%-200% |
| Above expectations               | Performance exceeds target reference levels and is above plan on a consistent basis                      | 120%-150% |
| In line with expectations        | Performance broadly in line with target reference levels   | 90%-120%  |
| Slightly below expectations      | Performance below target but above minimum threshold levels  | 50%-90%   |
| Below expectations               | Performance broadly in line with threshold levels  | 30%-50%   |
| Significantly below expectations | Performance below minimum threshold levels   | 0%        |

The Remuneration Report will disclose the specific indicators applied, the performance achieved against each of them, and the resulting overall assessment.

### Maximum compensation

**Purpose and link to strategy** Aims to avoid uncontrollably high payments and thus costs for Befesa.  
Ensures compliance with regulatory requirements.

**Remuneration Cap** Maximum total compensation for CEO: EUR 6.7 million.

### Contractual terms and conditions for the Executive Directors

**Duration** The service contracts may have either a limited or an indefinite term. A limited term shall bind the relevant Executive Director to provide their services for at least the duration of their appointment, while an indefinite term shall contain a notice period of six (6) months for both parties.

**Severance Payments** In case of early termination, the contracts may provide for a severance payment which shall not exceed twice the total annual remuneration of the Executive Directors consisting of fixed remuneration, annual bonus and long-term variable compensation (“Severance Payment Cap”).

In case of termination for cause by the company or in case the Executive Director voluntarily leaves the Company as a consequence of his/her resignation from office, no severance payment is due.

**Change of Control** The contracts may contain change of control provisions which provide that in case of a takeover of more than 50% of voting rights in the Company, each Executive Director has the right to terminate his/her agreement within six months after the effectiveness of the takeover.

If a member terminates her/his agreement due to a change of control, any payments made to him/her, if any, shall not exceed the Severance Payment Cap.

**Non-compete clause** The service contracts shall provide for a twelve-month post-termination non-competition obligation for Executive Directors.

During the term of any applicable post-contractual non-compete obligation, the Executive Director may receive compensation amounting to 50% of his/her last annual base salary, unless a higher compensation is mandatory under applicable law. Any remuneration received or deliberately foregone by the Executive Director during the non-compete period shall be deducted from such compensation.

No compensation shall be due where the Company releases the Executive Director from the non-competition obligation or where a non-competition restriction applies without giving rise to a compensation entitlement.

**Conflict** The service contracts shall prohibit the Executive Directors from engaging in conflicting external activities or accepting remuneration from third parties in connection with their services for Befesa S.A. and affiliated companies.

**Malus and clawback** The service contracts shall include malus and clawback provisions allowing the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, to withhold or recover variable remuneration, in whole or in part, in cases of serious or wilful misconduct, material breach of law or of internal rules, e.g. of Befesa’s Code of Conduct, or of fiduciary duties, or in cases of material reputational harm attributable to an Executive Director or where the relevant variable remuneration was awarded or vested on the basis of materially incorrect consolidated financial statements. Any decision to apply malus or clawback shall be taken by the Board of Directors at its discretion, taking into account the specific circumstances of the case and based on a recommendation by the Nomination and Remuneration Committee.

#### **4) Shareholding commitment**

The CEO must hold (directly or indirectly) a number of shares (including those paid as remuneration) equal to two times their Annual Base Salary, during the time he remains on the Board and performs executive duties in accordance with the Share Ownership Guidelines of Befesa. These guidelines ensure that Befesa's Executive Directors maintain a strong, long-term alignment with shareholders by requiring them to hold Company shares equal to 100-200% of their base salary (Executive Chair, if any, and CEO: 200%; other Executive Directors: 100%), to be achieved within a four-year build-up period. This commitment will be verified by the Nomination and Remuneration Committee.

#### **5) Applicable remuneration for new Executive Directors**

The remuneration system described above for the Executive Director shall be applicable to any Director that may become a member of the Board of Directors during the term of this policy to carry out executive duties.

The Nomination and Remuneration Committee and the Board of Directors will determine the components and amounts of the remuneration system applicable to the new Executive Director, bearing in mind the duties assigned thereto and the responsibilities undertaken thereby, his or her professional experience, the remuneration for this position on the market and any other factors considered appropriate, which will be duly included in the relevant contract to be signed by the Company and the new Executive Director.

As an exception, in order to assist in the recruitment of an external candidate, the Nomination and Remuneration Committee may propose to the Board of Directors to provide a special incentive to compensate for the loss of incentives not received from the previous company due to his/her resignation and subsequent acceptance of Befesa's offer. Any such compensation will be structured so that its cost is kept to a minimum and does not exceed the realistic value of incentives forfeited as a result of the change of employer.

For internal promotions, the Nomination and Remuneration Committee may propose to the Board of Directors the maintenance, cancellation and/or compensation of any preexisting incentives and other obligations that may be in force at the time of the appointment.

If the new appointment implies international relocation, the Company's rules for international relocation will be applicable.

### **D. Remuneration principles of the Non-Executive Directors**

The following table sets out the framework that will be used to determine the fees for the Non-Executive Directors (NED) during the term of this Remuneration Policy.

| <b>Non-Executive Directors</b>      |  |
|-------------------------------------|--|
| <b>Purpose and link to strategy</b> | Provide a competitive and market adequate compensation supporting the recruitment and retention of NEDs with the necessary experience and expertise to advise on the Company's strategy.   |
| <b>Operation</b>                    | <p>The NEDs receive a fixed annual fee, with additional fees payable to the Chair of the Board of Directors, the Lead Independent Director, and the Chairs of Board Committees, as applicable.</p> <p>NEDs do not participate in any of the Company's performance-based incentive plans, share schemes, or other benefits in kind. This structure ensures that remuneration for NEDs remains independent of the Company's operational performance and that their independence and objectivity are maintained in accordance with the principles of good corporate governance.</p> <p>All NEDs are reimbursed for travel expenses, accommodation, and other expenses properly incurred in performing their duties.</p> |

---

During their term of office, and for a period of twelve (12) months following the termination of their appointment, NEDs shall not, whether directly or indirectly, provide services in any competitor of Befesa S.A.

The level of fees payable to NEDs is determined by the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee and within the limits approved by the shareholders at the General Meeting, in accordance with the Company's Articles of Association and applicable law. NED remuneration is reviewed periodically to ensure that it remains fair, competitive, and aligned with market benchmarks and best governance practice.

---

|                            |  |
|----------------------------|--|
| <b>Maximum opportunity</b> | May be subject to an annual review and change dependent on increasing role, experience value and/or complexity of the Company. |
|----------------------------|--|

## **E. Process for determining, reviewing, adjusting and implementing the Policy**

### **1) Approval and review of the Remuneration Policy**

The Remuneration Policy of Befesa S.A. is established by the Board of Directors, based on a recommendation from the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee periodically reviews the Remuneration Policy applicable to members of the Board of Directors and submits to the Board any proposals for modification, taking into account the evolution of the Company, market practices, applicable legislation, and recognised principles of good corporate governance.

In the event of a review of the Remuneration Policy, the Company will describe and explain all significant changes introduced, as well as the extent to which the votes taken and any points of view expressed by shareholders on the Remuneration Policy and the annual remuneration reports have been taken into account since the most recent advisory vote.

Both the Remuneration Policy and the corresponding report of the Nomination and Remuneration Committee will be made available to shareholders on the Company's website.

The Remuneration Policy is submitted to the General Meeting for an advisory vote in accordance with applicable law and corporate governance standards. Any material changes to the policy are likewise presented to the General Meeting for an advisory vote. In any case, the policy is submitted at least every four years. If the Annual General Meeting does not approve the Remuneration Policy, a revised version will be submitted to the next ordinary General Meeting for an advisory vote.

### **2) Supervision and implementation**

The Board of Directors is responsible for establishing an appropriate system of control and supervision to ensure compliance with and effective implementation of the provisions of the Remuneration Policy.

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

### **3) Exceptionality**

The Board of Directors may be authorized, within the applicable regulatory framework and in strictly limited and exceptional circumstances, to temporarily deviate from the approved Remuneration Policy where such deviation is necessary to safeguard the long-term interests, sustainability and financial soundness of the Company.

**Concept of exceptional circumstances:**

Exceptional circumstances are those extraordinary situations, unforeseeable or not, specifically contemplated in the Policy that, due to their nature and magnitude, require an immediate and tailored response to:

| a) Preserve the Company’s long-term interests and sustainability, including the following situations:  | b) Guarantee the viability of the Company, including:   | c) Respond to force majeure situations, such as:  |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Deep strategic transformation of the business model.</li> <li>• Significant regulatory or regulatory changes that materially affect the activity.</li> <li>• Sectorial or macroeconomic crises of exceptional magnitude.</li> <li>• Need to retain or attract critical talent in exceptional competitive situations in the labor market.</li> </ul> | <ul style="list-style-type: none"> <li>• Restructuring situations or business recovery plans.</li> <li>• Significant corporate operations (such as mergers, acquisitions, divestitures, and spin-offs) that require compensation adjustments to ensure their success.</li> <li>• Circumstances that jeopardize the Company’s operational continuity or competitive position.</li> </ul> | <ul style="list-style-type: none"> <li>• Pandemics or other health emergencies of global or regional scope.</li> <li>• Natural disasters with significant impact on operations.</li> <li>• Sudden changes in the geopolitical environment that materially affect operations.</li> </ul> |

The following circumstances shall not be considered exceptional for the purposes of the Policy:

- The ordinary evolution of the labor or remuneration market.
- The positive individual performance of executive directors in the normal course of their duties.
- The usual variation of business results within foreseeable ranges.
- The ordinary rotation of executive directors provided for in the succession plans.

**Remuneration components subject to exception:**

In exceptional circumstances, temporary deviations may apply to the following remuneration components:

- Annual Base Salary: salary adjustments may be implemented outside the ordinary review cycle.
- Short-Term Incentive and Long-Term Incentive:
  - Temporary modification of metrics, objectives, or weightings established at the beginning of the financial year;
  - Adjustments to achievement ranges (threshold, target, and maximum) or to the assessment and payment schedule;
  - Upward or downward adjustments to payout levels to ensure an appropriate reflection of performance under exceptional circumstances.

Notwithstanding the possibility of applying temporary deviations in exceptional circumstances, such deviations shall not result in the removal, suspension or increase of the applicable remuneration caps.

**Temporary exception application procedure**

The application of temporary exceptions to the Policy is subject to the prior approval of the Board of Directors of the Company, at the proposal of the Nomination and Remuneration Committee, and must follow the procedure described below:

**a) Reasoned proposal from the Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee must verify the existence of any of the exceptional situations mentioned above. To this end: (i) it will carry out a detailed analysis of the situation and its impact on the Company; (ii) it will evaluate the alternatives available within the framework of the Policy; and, where appropriate, (iii) it will justify the need to apply the exception in a reasoned proposal addressed to the Board of Directors, which will include:

- i. an accurate description of exceptional situations that warrant the application of a temporary exception to the Policy;
- ii. the remuneration elements to which the exception would apply;
- iii. its temporal scope (which shall be as limited as possible);
- iv. the estimated economic impact;
- v. the justification of how the exception serves the Company's long-term interests and sustainability; and
- vi. an analysis of proportionality and reasonableness, and its alignment with shareholders' interests.

Where applicable, Nomination and Remuneration Committee may consult with other bodies, such as the Audit Committee (e.g., if it affects certain financial results) or Sustainability Committee (e.g., if it affects ESG risks and/or objectives), on the application of temporary exceptions to the Policy.

If deemed necessary, the Nomination and Remuneration Committee may seek input from independent external advisors on the reasonableness of the proposed action, the resulting competitive positioning, and compliance with corporate governance best practices.

**b) Approval by the Board of Directors:**

The Board of Directors will examine the Nomination and Remuneration Committee's reasoned proposal, assess compliance with the requirements set out in this Procedure for the application of the temporary exception and will deliberate on its appropriateness and proportionality.

The agreement of the Board of Directors must be reasoned and include the precise identification of exceptional circumstances, the elements of the Policy subject to exception, the temporal scope of the measure, the justification of its need, proportionality and alignment with long-term interests, as well as the monitoring and review procedure.

**c) Disclosure:**

The Company shall report in the relevant Remuneration Report on the approved temporary exception and the exceptional situation that has justified it.