

REMUNERATION POLICY FOR DIRECTORS OF FAES FARMA, S.A.

INTRODUCTION

The Board of Directors of FAES FARMA, S.A. (hereinafter “FAES” or the “Company”), upon the proposal of the Appointments and Remuneration Committee, approved at its meeting held on 27 April 2026 this Remuneration Policy for Directors of the Company (hereinafter the “Policy” or the “**Remuneration Policy**”), which will be put to a binding vote at the General Meeting of Shareholders as a separate item on the agenda and in accordance with the provisions of the Companies Act.

The Remuneration Policy contains the following sections:

Sections of the Remuneration Policy

1. Principles of the Remuneration Policy.
2. Key changes to the Remuneration Policy.
3. Remuneration of executive directors.
4. Remuneration of directors in their capacity as such.
5. Remuneration applicable to new directors.
6. Process for determining the Remuneration Policy.
7. Measures taken to align the Remuneration Policy with the Company’s long-term objectives, values and interests.
8. Validity and transitional provisions.

1. PRINCIPLES OF THE REMUNERATION POLICY

The main focus of the Remuneration Policy is to attract, retain and motivate talent, so that the Company can meet its strategic objectives within the increasingly competitive and globalised environment in which it operates, establishing the measures and practices most appropriate for this purpose.

The general principles underpinning the Remuneration Policy are as follows, classified according to their applicability to the remuneration policy for the different types of directors:

PRINCIPLES	To whom it applies
<p>PROPORTIONALITY: Remuneration levels are commensurate with the Company's performance relative to the sector, its situation and future prospects, and are comparable with the remuneration paid by other companies in the same sector or with similar characteristics.</p>	All Directors
<p>COMPETITIVENESS: The Remuneration Policy is competitive, which is achieved by setting a remuneration package in line with market standards, taking into account comparable sectors and companies.</p> <p>The remuneration is adequate to attract and retain directors with the talent and profile sought by the Company.</p>	All Directors
<p>APPROPRIATENESS: Remuneration is sufficient and commensurate with the time commitment, qualifications and responsibilities of the directors in their capacity as such, without such remuneration compromising their independence of judgement.</p>	All Directors
<p>NON-DISCRIMINATION: FAES's Remuneration Policy respects the principle of non-discrimination on grounds of gender, age, culture, religion and race.</p>	All Directors
<p>TRANSPARENCY: Information regarding remuneration is in line with best practices in corporate governance.</p>	All Directors
<p>ALIGNMENT WITH THE INTERESTS OF STAKEHOLDERS: The design of the Remuneration Policy for executive directors is reviewed periodically to ensure alignment between the achievement of results and the creation of shareholder value.</p> <p>Variable remuneration may also be linked to the achievement of environmental, social or governance (ESG¹) objectives, in line with our sustainability strategy.</p> <p>Furthermore, decisions regarding the remuneration of executive directors are made taking into account the remuneration conditions of the management team as a whole and the interests of other stakeholders.</p>	Executive Directors

¹ Environmental, Social & Governance

The principles outlined above inform the development of the remuneration policy for directors.

WHAT THE POLICY INCLUDES

- A reasonable balance between the various components: a balance between fixed and variable elements (short and long term).
- Linking remuneration to the Company's results ("*pay for performance*").
- Remuneration commensurate with the responsibilities and duties assumed by each Director, without compromising their independence.
- Short-term variable remuneration comprising a combination of financial and non-financial targets, as well as others linked to the Company's long-term sustainability:
 - The weighting of the financial targets to which it is linked represents at least 60%.
 - Non-financial objectives account for a maximum of 40%.
- Long-Term Variable Remuneration Plans:
 - Minimum target measurement period of three years.
 - Payment in shares.
 - Obligation to hold the shares for a period of up to three years, linked to the requirement for permanent share ownership.
 - Linked to metrics aligned with FAES's long-term strategic objectives and the creation of shareholder value.
- Severance pay and non-competition agreement: limited to twice the gross annual remuneration (fixed + annual variable).
- External advice.

WHAT IS NOT INCLUDED

- There are no contracts with guaranteed salary increases.
- There is no guaranteed variable remuneration.
- There are no pension commitments to directors.
- No loans or advances are granted.
- Non-executive directors do not participate in remuneration schemes or systems linked to the Company's performance.
- Hedging, pledging, short selling or derivative contracts relating to the value of shares received during the holding period are not permitted.

2. MAIN CHANGES TO THE REMUNERATION POLICY

The Remuneration Policy, once the amendments described below have been introduced, maintains the general principles of the Remuneration Policy approved by the General Meeting of Shareholders on 25 June 2025, with 98.748% of votes in favour.

In this regard, for the proposal to the Board of Directors regarding this Remuneration Policy, the Company's Appointments and Remuneration Committee has considered the following internal and external factors as part of the review process undertaken since 2023:

INTERNAL FACTORS

- The suitability of the company's governance structure and the level of complexity achieved by its group.
- The results achieved in recent financial years.
- The strategic priorities in the short and long term.
- Alignment with the design of the remuneration system for the management team and the workforce as a whole.

EXTERNAL FACTORS

- National and international corporate governance recommendations applicable to listed companies.
- Practices in comparable sectors and companies, and general market trends.
- Recommendations received during the engagement process with institutional shareholders and proxy advisors.

This update to the Remuneration Policy, in addition to maintaining the improvements introduced in the previous Policy regarding alignment with FAES's strategic priorities, shareholder interests and corporate governance recommendations, and adaptation to the Company's new organisational structure, takes into account the complexity and scale achieved by the Group, which affect both the responsibilities assumed by the Executive Director and the commitment and duties to be performed by the Chairman of the Board of Directors, following the conclusion of an initial transition phase provided for in the previous remuneration policy linked to his current term of office as a director.

To assess the impact of these circumstances on the remuneration of the Executive Director and the Non-Executive Chairman, a benchmark study was carried out by the external consultant WTW, using the following comparison groups:

For the Executive Director, a group of twenty European *life sciences* companies comparable to Faes Farma in terms of size, a group of fifteen Spanish companies from the *Ibex Medium Cap* index, to which Faes Farma also belongs, and a group of five Spanish *life sciences* companies for comparative purposes².

For the non-executive Chairman, a group of nineteen companies from the *Ibex-35* whose chairman is non-executive, with a particular focus on the six companies whose situation is most comparable to that of Faes Farma, having undergone a similar transition from executive to non-executive chairman; and, finally, a group of ten Spanish companies belonging to the *Ibex Medium Cap*, to which Faes Farma also belongs, with a non-executive Chairman of the Board, with a particular focus on the three companies whose situation is

² European life sciences: Convatec Group, Amplifon, Hikma Pharmaceuticals, CompuGroup Medical, Pharming Group, Bavarian Nordic, Pharma Mar, Gerresheimer, Genus, Evotec, Drägerwerk, Almirall, Spire Healthcare Group, Oxford Biomedica, Uniphar, Fagron, Virbac, Stratec, Malin Corp and Eckert&Ziegler.

Ibex Medium Cap: CIE Automotive, Ebro Foods, Atresmedia, HBX Group, Pharma Mar, Neinor Homes, Cirsá, Almirall, Meliá Hotels, Viscofan, Técnicas Reunidas, CAF, Tubacex, Gestamp, Línea Directa Aseguradora.

Spanish life sciences: Pharma Mar, Almirall, Rovi, Oryzon Genomics, Reig Jofre

most comparable to that of Faes Farma, having undergone a similar transition from an executive to a non-executive Chairman³.

The changes to the policy therefore focus on updating the various components of the Executive Director's remuneration, with a new annual amount for the Fixed Remuneration, representing a 15% increase, and new percentages for both Annual Variable Remuneration (the target represents 70% of the annual Fixed Remuneration, compared to the previous 61.5%) and Long-Term Variable Remuneration (the target represents 80% of the annual Fixed Remuneration, compared to the previous 61.5%), which are more in line with market practices. This decision has taken particular account of the Executive Director's performance since joining the company, including the implementation of the new strategic plan, the design and execution of the transformative acquisitions of the SIFI and Edol groups within the framework of that new strategy, and the creation of shareholder value, which have led to market recognition of the strategy and the acquisitions carried out.

Meanwhile, the annual fixed remuneration for the Chair of the Board has been reduced by €200,000, or 23%, in light of the conclusion of an initial transition phase from an executive to a non-executive chairmanship, whilst recognising the necessity and appropriateness of the Chair's special dedication and responsibilities in their new term of office.

3. REMUNERATION OF EXECUTIVE DIRECTORS

3.1 Remuneration components for executive directors:

The elements comprising the remuneration package for executive directors are as follows:

Fixed Remuneration

Purpose	To reward the level of responsibility of the position within the organisation, as well as the director's professional experience.
Annual amount	Executive Director: €750,000
Procedure	<p>The Board of Directors determines the fixed remuneration of executive directors, upon the recommendation of the Appointments and Remuneration Committee.</p> <p>This fixed remuneration is paid monthly in cash.</p> <p>In order to propose remuneration that is appropriate and competitive in the market, the Appointments and Remuneration Committee takes the following factors into account:</p> <ul style="list-style-type: none"> • The specific characteristics of the position, the level of responsibility and the level of involvement required of executive directors. • The individual's skills and experience. • The evolution of the contribution made by the position and the individual. • The remuneration conditions for employees as a whole. • Market data from companies of a similar size, sector and complexity to FAES.

³ Ibex-35: Banco Sabadell, Repsol, Bankinter, Enagás, Inmobiliaria Colonial, Redeia, IAG, Endesa, Grifols, Amadeus, Logista, Unicaja, Cellnex, Caixabank, Inditex, Merlin Properties, Acerinox, Solaria, Acciona Energia, with the first six being the most comparable to Faes Farma.

Ibex Medium Cap: Viscofan, HBX Group, CAF, Neinor Homes, Tubacex, CIE Automotive, Vidrala, Elecnor, DIA, Linea Directa, with the top 3 being the most comparable to Faes Farma.

This remuneration, applicable to the 2026 financial year, may be reviewed annually in accordance with the criteria approved from time to time by the Appointments and Remuneration Committee. The maximum increase for the period of validity of the Policy may not exceed 10%.

Remuneration in kind

Purpose	To offer a competitive remuneration package in line with the market.
Maximum annual amount	Executive Director: €35,000
Operation	Executive directors may be entitled to certain benefits in kind, including, amongst others, a company car, medical insurance and the payment of life insurance premiums. The Remuneration Policy for executive directors does not provide for the granting of other benefits such as pension schemes, loans, advances and guarantees provided by the Company.

Variable Remuneration

The following details the components of the variable remuneration for executive directors:

(i) short-term variable remuneration and (ii) long-term variable remuneration.

The following tables detail the specific features of each of the schemes. However, there are a number of common characteristics in the mechanics and operation of both schemes.

- It is the responsibility of the Board of Directors, upon the proposal of the Appointments and Remuneration Committee, to approve the objectives at the start of each measurement period and to assess their fulfilment once the period has ended.
- The objectives will be determined using a combination of financial and non-financial indicators, aligned with FAES's strategic priorities. These targets may include, amongst others, specific, predetermined and quantifiable economic and financial parameters (such as EBITDA, consolidated profit, cash flow, etc.), operational, strategic and/or value creation parameters (for example, market capitalisation, total shareholder return, amongst others). Indicators linked to the sustainability strategy and the individual performance of the executive director may also be considered. Some of the metrics may be measured relative to a peer group comprising competitor companies or companies with similar characteristics.
- The targets may be measured in the short or long term, generally avoiding duplication of targets across each system. The Board of Directors shall determine the appropriateness of the established targets in relation to short- and long-term strategic and tactical management priorities.
- The performance scale, set at the start of each financial year, includes a minimum threshold below which no incentive is paid, a *target* level, corresponding to 100% achievement of the objectives, and a maximum level, specific to each metric.

- In calculating the amount of variable remuneration, the degree of achievement and the weighting of each objective will be taken into account, and the internal rules and procedures for the assessment and verification of objectives, established by the Company, will be applied.
- In the assessment and verification of objectives, the Appointments and Remuneration Committee is supported by the Finance Department and the Internal Audit Department, which provide information on the audited results and on the process of verifying compliance with the objective. Both in setting the objectives and in assessing their fulfilment, the Committee also considers any associated risks.
- The Board of Directors, upon the proposal of the Audit and Compliance Committee, shall take into account any positive or negative economic effects arising from extraordinary events that could distort the results of the assessment, and shall consider the quality of long-term results and any associated risks in the variable remuneration proposal.
- The Board of Directors, upon the proposal of the Appointments and Remuneration Committee, may reduce (“malus”) and/or, where appropriate, claim the return (“clawback”) of the variable remuneration paid from the beneficiaries, if, within two years of its payment, it is established that (i) the data used to calculate the targets is inaccurate or (ii) the beneficiaries have committed a serious and culpable breach of their duties of loyalty, diligence or good faith or of any other obligations assumed by virtue of their contractual relationship with FAES.

Annual Variable Remuneration

Purpose	To strengthen the commitment of executive directors to the Company, motivate their performance and reward the achievement of specific objectives for each financial year.
Annual amount	<ul style="list-style-type: none"> • Target: €525,000, representing 70% of the annual fixed remuneration. This will be achieved if 100% of the pre-established targets are met. • Maximum: 130% of <i>the target</i>. This will be achieved if the pre-established objectives are exceeded.
Metrics	<p>Financial objectives will account for at least 60% of the total incentive. They will consist of metrics that ensure an appropriate balance between the financial and operational aspects of the Company's management.</p> <p>Non-financial objectives will account for a maximum of 40% of the total incentive. These objectives may include sustainability objectives, the details of which will be set out in the relevant Annual Report on Directors' Remuneration.</p>
Operation	<p>It is the responsibility of the Board of Directors, upon the proposal of the Appointments and Remuneration Committee, to set the objectives at the start of each financial year and to assess their fulfilment once they have been formulated by the Board and the annual accounts for the financial year in question have been audited.</p> <p>The Board, acting on a proposal from the Commission, has the power to adjust the level of the annual variable remuneration payment to ensure that the outcome is fair and balanced, in light of the Company's overall results. This discretion shall be limited to a maximum of 15% upwards or downwards in response to exceptional circumstances requiring a qualitative assessment, without in any case exceeding the maximum amount (130% of the target). Should this power be exercised, the Company shall provide detailed information on the reasons justifying its application in the relevant Annual Report on Directors' Remuneration.</p> <p>Short-term variable remuneration shall not be paid until the Committee has carried out the actions described above. Any amount paid shall be subject to the reduction ("malus") and clawback clauses described in section 3.5 of the Policy.</p>
Payment	Annual variable remuneration is paid in full in cash during the first three months of the year following the accrual of the variable remuneration.

Long-Term Variable Remuneration

Purpose	To reward the achievement of FAES's long-term strategic objectives, the sustainability of results and the creation of sustainable value for shareholders.
Amount (annualised)	<ul style="list-style-type: none"> • Target: €600,000 (80% of the annual fixed remuneration) for the Executive Director (at grant value). This will be achieved upon 100% fulfilment of the pre-established objectives. • Maximum: For the First Long-Term Incentive Plan (2022-2026) approved at the 2022 Annual General Meeting, the maximum amount is the same as the <i>target</i> amount, with no scope for an increase. For the Second Long-Term Incentive Plan (2025-2029) approved at the 2025 Annual General Meeting, the maximum remuneration will be 150% of <i>the target</i> for all objectives combined and will be achieved in the event of over-achievement of the pre-established objectives. The targets to which this possibility of over-performance applies will be determined by the Board of Directors prior to the start of each cycle of the Plan. For the first cycle of this Second Plan, the possibility of over-performance of 150% will apply solely to the TSR target, with the maximum remuneration for the remaining targets being 100%. For the second cycle of this Plan, upon approval of this Policy, it has been decided that the over-performance provision will apply solely to the TSR target, which may reach 165%, with the maximum remuneration for the remaining targets being 100%.
Metrics	The targets for this type of variable remuneration may consist of metrics that ensure an appropriate balance between strategic, value creation, financial or operational, and sustainability aspects. Details of the metrics, their application and modification, and their weightings, within the framework of the decisions of the general meeting, are set out in the relevant Annual Remuneration Report.
Operation	<p>Long-term variable remuneration may be structured using overlapping and independent cycles or sequential cycles.</p> <p>The measurement period for the objectives linked to the cycles or long-term variable remuneration plans shall be in line with FAES's strategic plan, and shall in no case be less than three years.</p> <p>The Appointments and Remuneration Committee will monitor the targets annually, and once the Plan has been completed, the degree of achievement will be determined. When determining the level of achievement of the targets, any economic effects, whether positive or negative, arising from extraordinary events that could distort the results of the assessment will be excluded.</p> <p>Furthermore, when assessing the final payment amount, the Committee will evaluate whether there have been any alterations or inaccuracies in the business data, caused by any beneficiary of the plan, which would have been relevant to the determination of the annual variable remuneration (as confirmed by the Company's external auditor).</p> <p>Long-term variable remuneration shall be paid through the grant of shares, share options or remuneration rights linked to the value of such shares, provided that the objectives established for this purpose are met. All shares that may be granted under the Plan shall be subject to a retention period as described in section 3.3 of the Policy. Long-Term Variable Remuneration shall not be paid until the Committee has carried out the actions described above. Any amount paid shall be subject to the reduction ("malus") and clawback clauses described in section 3.5 of the Policy.</p> <p>In any event, the amounts and characteristics of each long-term variable remuneration plan will be explained in the relevant Annual Report on Directors' Remuneration.</p>

Notwithstanding the foregoing, the General Meeting of Shareholders of June 2022 approved the First Incentive Plan (of which the third cycle: 2024-26, is pending implementation), with a three-year target measurement period, as in previous plans. Long-term variable remuneration is paid entirely in shares. The shares granted may not be disposed of until at least three years have elapsed since their grant, unless such directors hold shares with a market value equivalent to twice their annual fixed remuneration.

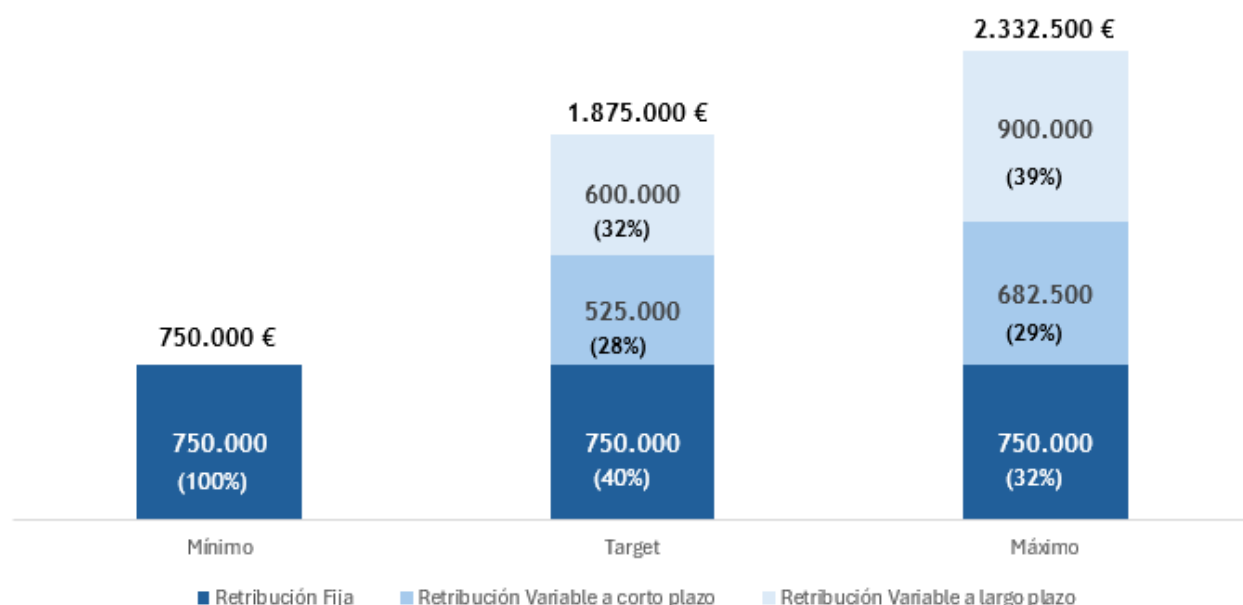
The Annual General Meeting of Shareholders in June 2025 approved the Second Long-Term Incentive Plan with the following characteristics:

- It consists of three overlapping cycles (1st cycle: 2025-27, 2nd cycle: 2026-28 and 3rd cycle: 2027-29).
- The performance measurement period for each award is three years.
- Long-term variable remuneration is paid entirely in shares. The shares granted may not be disposed of until at least three years have elapsed since their grant, unless such directors hold shares with a market value equivalent to twice their annual fixed remuneration.

3.2 Remuneration *mix* scenarios for executive directors

The Remuneration Policy provides a reasonable balance between the various fixed and variable components (annual and long-term), reflecting an appropriate level of risk-taking combined with the achievement of defined short- and long-term objectives linked to the creation of sustainable value.

The chart shows examples of the potential future total remuneration for the Executive Director, in accordance with this Remuneration Policy, under three possible scenarios.



The possible outcomes and the assumptions on which the above calculations are based are set out below:

Fixed Remuneration¹

All scenarios	€750,000
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Short-Term Variable Remuneration / Long-Term Variable Remuneration²

Minimum scenario	<ul style="list-style-type: none"> No short-term variable remuneration is paid. No long-term variable remuneration is paid.
Target scenario	<ul style="list-style-type: none"> 100% of short-term variable remuneration is paid (70% of fixed remuneration). 100% of long-term variable remuneration is paid (80% of fixed remuneration).
Maximum scenario	<ul style="list-style-type: none"> Payment of 130% of short-term variable remuneration (91% of fixed remuneration). Payment of 150% of long-term variable remuneration (120% of fixed remuneration).

¹ Other remuneration in kind, or for membership of the Board, which the Executive Director may receive, is not included, as the amount would not be significant.

² The amounts reflect the value of the long-term incentive at the date of grant.

3.3 Commitment to hold shares for a specified period

Executive directors shall be obliged to retain any shares granted to them as part of their Long-Term Variable Remuneration for at least three years following their grant, unless such directors hold shares with a market value equivalent to twice their annual fixed remuneration.

3.4 Other remuneration

Throughout the term of this Policy, executive directors who have recently joined FAES may receive special incentives to compensate for the loss of incentives granted but not yet accrued at their previous company, in accordance with the provisions of section 5 below.

3.5 Ex-post adjustments to variable remuneration

Up to 100% of total Variable Remuneration (short-term variable remuneration and long-term variable remuneration) shall be subject to remuneration reduction clauses (“malus”) or clauses for the recovery of remuneration already paid (“clawback”). These clauses shall apply both to current Executive Directors and to those who have left the Company:

- **Penalty:** Any variable remuneration pending payment shall be reduced or cancelled by the Company if, during the period between the end of the measurement period (short-term and/or long-term) and the time of payment, it is established that (i) the data used to calculate the targets is inaccurate or (ii) during the measurement period, the beneficiaries have committed a serious and culpable breach of their duties of loyalty, diligence or good faith, or of any other obligations assumed by virtue of their contractual relationship with FAES.
- **Clawback:** Requires the repayment of amounts unduly received as variable remuneration where it is established that (i) the data used to calculate the targets and the s are inaccurate or (ii) during the term of the Plan, the beneficiaries have committed a serious and culpable breach of their duties of loyalty, diligence or good faith, or of any other obligations assumed by virtue of their contractual relationship

with FAES. In this case, the beneficiary must reimburse any amount unduly received. In the case of long-term variable remuneration plans in shares, the value of the shares shall be repaid at the reference price.

3.6 Contractual terms for executive directors

The contract currently governing the performance of the duties and responsibilities of the Executive Director is of a commercial nature and includes the clauses that are customarily included in this type of contract in order to attract and retain the best professionals. This contract has been proposed by the Appointments and Remuneration Committee and approved by the Company's Board of Directors.

The main terms of the Executive Director's contract are summarised below:

Term	The contract signed between the Company and the Executive Director remains in force for as long as he holds office.
Non-competition	The contract establishes, in all cases, a non-competition obligation in relation to companies with a similar purpose during his relationship with the Company and for a specified period following the termination of that relationship (one year). Compensation for the post-contractual non-competition obligation amounts to a sum equivalent to one year's gross annual remuneration (fixed remuneration and annual variable remuneration), corresponding to the last financial year.
Severance pay	The Executive Director shall be entitled to receive from the Company severance pay upon termination of the contract for any of the reasons set out therein, equivalent to one year's gross annual remuneration (fixed remuneration and annual variable remuneration), corresponding to the last financial year.
Exclusivity	The contract prohibits, during its term, the entering into of contracts or the provision of services, whether on one's own account or on behalf of others, directly or indirectly, to third parties, whether competitors or not, who are not affiliated with the Company, unless the Company has given its express consent.
Internal compliance	This includes the obligation to comply with the rules and obligations set out in FAES's internal regulations.
Confidentiality	The highest duty of confidentiality during the term of the contracts, as well as after the relationship has ended.

In addition, the contract includes reduction ('malus') and clawback clauses similar to those described in section 3.5 of this Policy.

4. REMUNERATION OF DIRECTORS IN THEIR CAPACITY AS SUCH

In accordance with Article 26 of the Articles of Association, the remuneration of directors in their capacity as such shall consist of (a) a fixed cash sum and (b) an attendance fee or allowance for each meeting of the Board of Directors and/or the Board Committees to which they may belong.

The maximum amount of remuneration that the Company may pay annually to all its directors for the aforementioned items shall be that determined for this purpose by the General Meeting of Shareholders, which shall remain in force until such time as the General Meeting of Shareholders agrees to amend it.

In this regard, the Ordinary General Meeting of Shareholders set 6% of the distributable profit for the last financial year ended as the maximum gross annual limit on the remuneration to be received by directors in their capacity as members of the Board of Directors. This limit shall remain applicable for the duration of this Policy unless the General Meeting of Shareholders decides to amend it in the future.

The determination of the exact amount to be paid within the aforementioned limit and its distribution amongst the various directors is the responsibility of the Board of Directors, upon the proposal of the Appointments and Remuneration Committee, taking into account the functions and responsibilities assigned to each director, membership of committees within the Board of Directors and any other objective circumstances it deems relevant.

The components of the Remuneration Policy for directors in their capacity as such are set out below:

	Fixed Annual Allowance	Attendance Fees
Board of Directors (member)	€77,000	€1,500 per meeting
Chair of the Board (*)	€667,141	--
Committees (member)	€15,000	--
Chair of the Committee	€10,000	--
Coordinating Director	€5,000	--

(*) Additional fixed remuneration set for the (non-executive) Chairman, Mr Mariano Ucar Angulo, to be applied from the renewal of his term of office as a director at the 2026 Annual General Meeting of Shareholders, for his additional duties as Chairman of the Board.

The aforementioned amounts are separate and fully compatible with one another.

Furthermore, the Chairman of the Board of Directors (non-executive) may receive remuneration in kind consisting, amongst other things, of life and accident insurance, a company car and other employee benefits on the same terms as other employees, up to a maximum annual amount of €35,000.

The remuneration of the Chairman of the Board of Directors reflects the important role and his high level of activity and involvement in the position, as well as the other criteria set out in the Remuneration Policy.

As noted, the remuneration of the Chairman of the Board of Directors consists exclusively of fixed components, and provides for a fixed remuneration in addition to that paid to members of the Board of Directors. The new amount, which has applied since the renewal of his term as a director, has been reduced following the conclusion of the critical transition phase set out in the previous remuneration policy linked to his term of office as a director at that time. The aim is to ensure the continuity of his collaboration during

a particularly significant period for FAES in order to complete the full transition to the new corporate governance model, as well as to remunerate the functions he performs as Chairman of the Company, of the Board of Directors, as the highest representative of FAES, and for the special dedication required by the role of Chairman under the terms established in the Companies Act, in the Articles of Association and by the Board of Directors itself in a company such as FAES. These functions of the Chairman, by their organic or representative nature, cannot be considered executive, although they entail significant dedication and intensity.

The above amounts may be amended each year within the maximum limits approved by the General Meeting of Shareholders and subject to prior approval by the Board of Directors. Should this occur, it will be duly reported in the Annual Report on Directors' Remuneration, which will be submitted annually for consideration by the General Meeting of Shareholders.

Furthermore, the Company has taken out civil liability insurance for its directors on market terms.

No provision is made for the granting of loans, advances or guarantees by the Company in favour of members of the Board of Directors.

Nor is provision made for the participation of non-executive directors in social security schemes, pension plans, or compensation for their supervisory and collective decision-making functions in relation to the termination of their association with the Company in their capacity as directors, nor for the granting of any additional remuneration other than that set out above.

5. REMUNERATION APPLICABLE TO NEW DIRECTORS

The remuneration system described above for Executive Directors shall apply to any director who may join the Board of Directors during the term of this Policy to perform executive functions. For these purposes, the Appointments and Remuneration Committee and the Board of Directors shall take into account, in particular, the functions assigned, the responsibilities assumed, their professional experience, the market remuneration for that position and any other factors they deem appropriate to take into account when determining the elements and amounts of the remuneration system applicable, where appropriate, to the new executive director, which shall be duly reflected in the relevant contract to be signed between the Company and the new executive director and in the relevant Annual Report on Directors' Remuneration.

Exceptionally, and to facilitate the recruitment of an external candidate, the Appointments and Remuneration Committee may propose, for decision by the Board, the establishment of a special incentive to compensate for the loss of incentives granted but not yet accrued in their previous role as a result of their resignation and subsequent acceptance of FAES's offer. The Company shall provide detailed information in the relevant Annual Report on Directors' Remuneration regarding any incentives that the Board of Directors may agree to establish.

For internal promotions, the Committee may cancel and/or offset pre-existing incentives and other obligations that may be in force at the time of appointment.

In the event that new non-executive members join the Board of Directors during the term of this Policy, the remuneration system described in section 4 above shall apply to them.

6. PROCESS FOR DETERMINING THE REMUNERATION POLICY

6.1 Internal Regulations and Company bodies involved

The Company's remuneration policy is governed by the Articles of Association and the Rules of Procedure of the Board of Directors. Specifically, Article 19(g) of the Rules of Procedure of the Board of Directors that the basic responsibility of the Appointments and Remuneration Committee is to propose to the Board of

Directors the remuneration policy for directors and managing directors or those performing senior management functions under the direct authority of the Board, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive directors, ensuring compliance therewith.

On this basis, the Appointments and Remuneration Committee proposes the Remuneration Policy to the Board of Directors, which submits it for approval by the General Meeting of Shareholders.

The functions performed by the aforementioned bodies of the Company involved in the review, determination and approval of the Policy are detailed below:

General Meeting of Shareholders:

- Approves the Remuneration Policy at least every three years as a separate item on the agenda.
- Approves the maximum amount of the annual remuneration payable to all directors in their capacity as such, in accordance with the provisions of the Articles of Association.
- Approves the variable remuneration schemes for executive directors, which include the grant of shares or share options, or remuneration linked to the value of the shares.

Board of Directors:

- With regard to directors in their capacity as such: approves the allocation of the maximum amount approved by the General Meeting of Shareholders across different components.
- With regard to executive directors: approves the fixed remuneration, as well as the design of the variable remuneration, approving the targets at the start of each financial year, the assessment of their achievement once the target measurement period has ended, and the corresponding settlement of the Annual Variable Remuneration and the Long-Term Variable Remuneration.
- It proposes amendments or updates to the Remuneration Policy.
- It approves the contracts governing the performance of the duties and responsibilities of executive directors.

Appointments and Remuneration Committee:

- It draws up proposals on remuneration to be approved by the Board of Directors. With regard to variable remuneration, the Committee reviews the structure, the maximum remuneration levels, the established targets and the weighting of each, taking into account the Company's strategy, needs and business situation.
- In addition, it periodically reviews the remuneration policy, taking into account the factors set out in the following section.

6.2 Criteria adopted in determining the Remuneration Policy

Consideration of the views of investors and proxy advisors:

The Appointments and Remuneration Committee takes into account both the external environment in which the Company operates and the guidelines issued by organisations representing our institutional shareholders. The Appointments and Remuneration Committee also considers information from institutional investors and proxy advisors received during the periodic consultation process carried out by FAES with these stakeholders.

Consideration of the remuneration conditions of employees as a whole and the perspective of the management team

For the purposes of establishing the remuneration conditions for executive directors described in this Remuneration Policy, the remuneration strategy applicable to the Company's employees and managers has been taken into account.

In this regard, the Remuneration Policy applicable to executive directors is aligned with that of the workforce as a whole, rewarding them for the value they bring to FAES and sharing the following specific principles:

- **Total remuneration structure:** the remuneration package offered by FAES may consist of fixed and variable components, as well as remuneration in kind and other employee benefits. In any case, fixed remuneration carries significant weight insofar as, in certain circumstances, variable remuneration may amount to zero. Furthermore, the amounts and relative weight of the remuneration components are adapted to local market practices in the markets in which FAES operates.
- **Pay equity:** non-discrimination on grounds of gender, age, culture, religion or race is guaranteed when applying remuneration practices and policies. In this regard, FAES professionals are remunerated in a manner consistent with their level of responsibility, leadership and performance within the organisation, thereby promoting the retention of key professionals and the attraction of the best talent.
- **Pay for performance:** a significant portion of the total remuneration of the Company's management team is variable in nature, and its payment is linked to the achievement of financial and non-financial, business and value-creation objectives that are predetermined, specific, quantifiable and aligned with FAES's corporate interests.
- **Proportionality:** remuneration levels are commensurate with the Company's importance, its financial position at any given time and market standards in comparable sectors and companies.
- **Prudence:** The criteria used by the Appointments and Remuneration Committee to establish fixed, variable or other forms of remuneration take into account the risks inherent in such decisions and the long-term implications for the Company.
- **Values:** the Remuneration Policy is designed to attract and retain the best talent and foster a culture of high performance

Market conditions

Directors' remuneration is compared with that of comparable profiles in companies within the same sector or of a similar size.

Consideration of independent external advice

When determining, reviewing and implementing the Remuneration Policy, the Appointments and Remuneration Committee seeks independent advice and ensures that no director takes decisions relating to their own remuneration.

Periodic review of the Remuneration Policy

The remuneration policy for Directors is reviewed periodically by the Appointments and Remuneration Committee and by the Board of Directors, in order to keep it aligned with best corporate governance practices and market trends. The policy is submitted for approval by the General Meeting of Shareholders whenever an amendment is necessary or appropriate and, in any event, every three years, in accordance with the Companies Act.

7. MEASURES TAKEN TO ALIGN THE REMUNERATION POLICY WITH THE COMPANY'S LONG-TERM OBJECTIVES, VALUES AND INTERESTS

The design of the Remuneration Policy is consistent with the Company's strategy and geared towards achieving long-term results:

- The total remuneration of executive directors comprises various remuneration components, consisting primarily of: (i) fixed components, (ii) annual variable remuneration and (iii) long-term variable remuneration.
- Long-term variable remuneration is set within a multi-year framework to ensure that the assessment process is based on long-term results and takes into account the Company's underlying economic cycle. This remuneration is awarded substantially on the basis of value creation, so that the interests of executive directors are aligned with those of shareholders.
- The metrics established, both for Annual Variable Remuneration and Long-Term Variable Remuneration, are linked to the achievement of a combination of economic-financial, industrial, operational, shareholder value creation and non-financial objectives, which may relate to sustainability. These objectives shall be specific, predetermined and quantifiable, aligned with the company's interests and in line with FAES's Strategic Plan. Some examples of metrics are included in section 3.1 above, and those established for each year can be consulted in the Annual Report on Directors' Remuneration.

Furthermore, there is an appropriate balance between the fixed and variable components of remuneration. The variable remuneration system for executive directors is fully flexible and allows them to receive no payment whatsoever in this regard should the minimum performance thresholds not be met.

Furthermore, the Remuneration Policy has the following features that help to reduce exposure to excessive risks:

- One of the main functions of the Appointments and Remuneration Committee throughout the process is to analyse, select and propose the objectives and metrics for the variable remuneration of executive directors and senior management. The main characteristics of the objectives are as follows:
 - a) are reviewed periodically to ensure that they are sufficiently challenging;
 - b) they are measurable and quantifiable, with their weightings and achievement levels approved by the Appointments and Remuneration Committee at the start of each financial year for annual variable remuneration, taking into account, amongst other factors, the economic environment, the strategic plan, historical analysis, the Company's budget and the expectations or consensus of investors and analysts;
 - c) during the measurement period, they are monitored by the Appointments and Remuneration Committee;
 - d) at the end of the measurement period, the Appointments and Remuneration Committee assesses the final degree of achievement. Both in setting the objectives and in assessing their achievement, the Appointments and Remuneration Committee also considers any associated risks. Provision is made to eliminate any economic effects, whether positive or negative, arising from extraordinary events that could distort the results of the assessment. The Appointments and Remuneration Committee will assess the degree to which the established objectives have been achieved and, taking into account the weightings of each established metric, will determine the amount to be paid, which must subsequently be approved by the Board of Directors. The assessment of annual and long-term objectives and the determination of variable remuneration is based on audited financial statements, where applicable.

- To reinforce the commitment of executive directors to the Company's long-term interests and alignment with the interests of shareholders, the minimum requirement for the temporary holding of shares described above is included.
- With regard to the measures necessary to prevent conflicts of interest on the part of directors, in line with the provisions of the Companies Act, Articles 25 and 26 of the FAES Board of Directors' Regulations set out a series of obligations arising from their duties of non-competition and loyalty, their duty to avoid conflicts of interest, and their duty to provide information.

8. TERM OF VALIDITY AND TRANSITIONAL PROVISIONS

This Policy replaces the Directors' Remuneration Policy approved by the General Meeting of Shareholders held on 25 June 2025. It shall enter into force upon its approval and shall apply during the current financial year (2026) and the following three (2027, 2028 and 2029), without prejudice to any adjustments or updates that the Board of Directors may carry out in accordance with the provisions herein, and any amendments that may be approved by the General Meeting of Shareholders from time to time.

In any event, this Policy shall be understood to be without prejudice to any payments or conditions applicable to executive directors during its term, arising from the application of previous remuneration policies governing Variable Remuneration for previous financial years, which shall be subject to the conditions established for such remuneration in the aforementioned policies.