

*To inspire progress*

# Remuneration Policy 2022

1998 Vasco da Gama Bridge, Portugal.

Remuneration Policy 2022 approved at the General Shareholders' Meeting of May 6, 2022, by 98.4692% of votes to 1.5308%.

# REMUNERATION POLICY 2022

---

## 1. Principles and Philosophy of MOTA-ENGIL GROUP'S Remuneration Policy

The MOTA-ENGIL GROUP is a global player with a presence in over 20 geographies, a diverse business portfolio in the areas of Engineering and Construction, Environment and Services, Concessions, Mining and Energy, the success of which hinges on its ability to attract, develop and retain Talent on a global scale.

For this purpose, MOTA-ENGIL, SGPS, SA (MOTA-ENGIL or COMPANY) has developed a Remuneration Policy to serve as a key pillar for managing Talent and that is based on a set of principles, as follows:

- Reinforce a meritocracy culture based on competence and merit;
- Foster a non-discrimination, diversity and inclusion philosophy;
- Promote the pursuit of the GROUP'S Purpose, Long-term vision and Values in accordance with performance management models based on MOTA-ENGIL'S key competences (ME Leaders);
- Maximize the sustainable achievement of the results of the GROUP, by means of performance-based recognition arrangements, which ensure the alignment with Shareholders and Stakeholder's interests.

These principles are reflected on the structure of the GROUP'S Remuneration Policy, described below, which is a key tool in the pursuit of the company's long-term strategy and interests, as set out in 'Strategic Plan - Building 26 - for a sustainable future', for the 2022-2026 period.

The following are the principles to be observed for purposes of remuneration setting:

- Functions performed

The functions performed by each member should be considered in the broadest sense of the activity effectively carried out and the related responsibilities and not solely in a formal sense. The directors, executive directors or the members of the Supervisory Audit Board will not all be in the same position. The functions should be considered as broadly as possible, taking into account such criteria as responsibility, time spent, or value added for the GROUP, which results from a specific type of activity or institutional representation. Additionally, such a consideration should not discount any functions performed at other controlled companies, which entails an increased responsibility as well as a cumulative source of income.

In line with the principle set out, the GROUP has established a remuneration policy, the scope of which also applies, by segments, to members of management and employees based on the international Korn Ferry/Hay GROUP model for marking functions.

In accordance with the current methodology, functions are assessed on the basis of knowledge, complexity and responsibility/autonomy required and are, subsequently, framed into predefined functional groups. This is the benchmark vector for determining remuneration conditions.

- Financial situation of the COMPANY

The financial situation of the COMPANY should be taken into consideration together with its interests in the long term and in terms of real growth, and the creation of shareholder value.

To this end, the GROUP has fostered its development by means of a short- and medium-term plan (the GROUP'S Strategic Plan), setting goals and preparing initiatives, the performance of which is subject to periodic assessment through a series of KPIs which guide performance along five strategic aims, as set out in point 6.2 below.

As the GROUP 's Strategic Plan is the tool that guides its strategy, the KPIs comprise one of the key components for the assessment of members of the GROUP'S management and for the determination of their remuneration, driving the incentive mechanisms toward the effective creation of value in the long term.



- General market conditions for equivalent situations

The setting of any remuneration cannot evade the laws of supply and demand and the members of COMPANY's governing bodies are no exception. The observance of market practices allows professionals to be maintained with a level of performance that is adequate to the complexity of their functions and their responsibilities. It is important that the remuneration be aligned with the market and stimulating, in order to achieve a high level of individual and collective performance, safeguarding not only their own interests but essentially those of the COMPANY and the creation of shareholder value.

Considering the abovementioned principle, the periodic auditing of compensation practices as well as its comparison with the market falls within the scope of the GROUP's remuneration policy. To this end, the international Korn Ferry/Hay GROUP methodology for the marking of functions is adopted along with Korn Ferry/Hay GROUP wage studies aimed at comparative functional groups, thus ensuring competitive grounds for adjustment to the strategy for human resource development and to the evolution of the wage market.

## 2. Cross-sectional Nature of the Remuneration Policy

The Remuneration Policy's principles, philosophy and structure are cross-sectional, applying both to Board members and Supervisory Audit Board members and to employees at large.

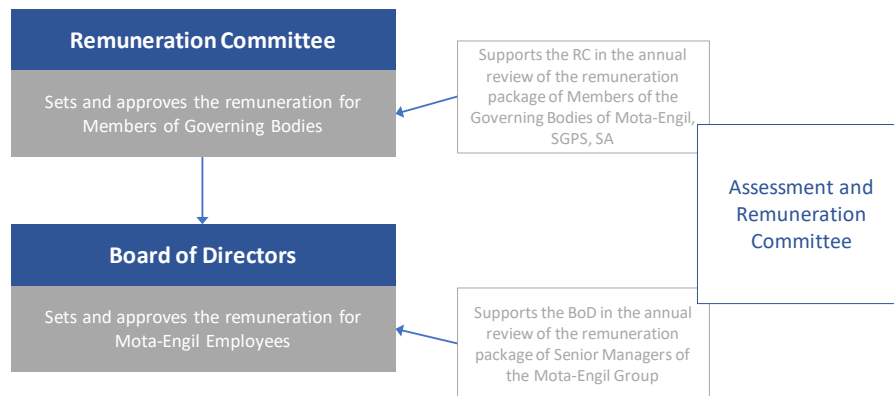
Any relevant differences along the spectrum of functional areas are due to four factors:

- Remuneration System Governance, whereas:
  - the Remuneration Committee is in charge of establishing and reviewing the Remuneration Policy for MOTA-ENGIL's Governing Bodies, a function they perform with the support of the Assessment and Remuneration Committee;
  - the Board of Directors ("Bod") is in charge of establishing and reviewing the Remuneration Policy for GROUP employees, particularly Senior Managers.
- Level of responsibility and complexity of the different functional areas, which is reflected in the salary band determined;
- Level of expectation and rigour of the different functional areas, which inform the target performance objectives and criteria;
- Maximize the sustainable achievement of the results of the GROUP, by means of performance-based recognition arrangements, which ensure the alignment with Shareholders and Stakeholder's interests.

## 3. Governance and decision-making process

Governance in relation to the establishment of the Remuneration Policy is broken down as follows:

- the **Remuneration Committee**, in charge of periodically setting and approving the remuneration for Members of Governing Bodies;
- the **Board of Directors**, in charge of establishing and approving the Remuneration Policy for GROUP employees.



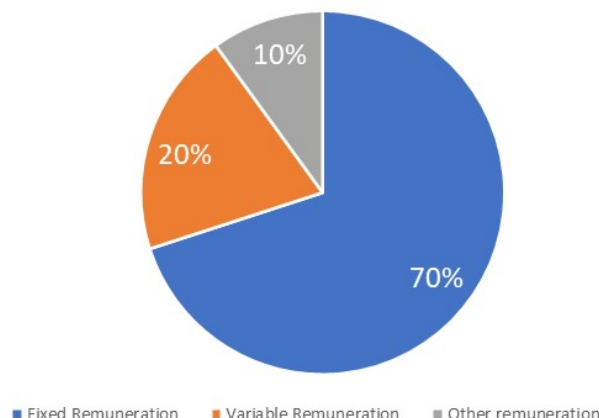
To prevent possible conflicts of interest in connection with the establishment and approval of the Remuneration Policy, the executive members of the Board of Directors shall not sit in the Remuneration Committee, thus safeguarding the impartiality and independence of the decision-making process. In addition, to further promote the independence of this process, the Assessment and Remuneration Committee shall not include executive members of the Board of Directors and shall be comprised of a majority of independent members.

#### 4. Remuneration of Board of Directors and Supervisory Audit Board members

Components	Purpose and connection to the Strategy	Description
Fixed Remuneration	Attract and retain people with know-how, experience and competence to manage the business	<b>Features:</b> <ul style="list-style-type: none"> <li>- Regular and fixed payments throughout the year;</li> <li>- For members of the Board of Directors (BoD) with executive functions, as well as for non-executive members who are not independent, it shall be payable on a basis of 14 months per year;</li> <li>- For independent non-executive members of the BoD, members of the Audit Committee and Presiding Officers of the General Meeting, it shall be comprised solely of a fixed component;</li> <li>- A predetermined sum for each participation in meetings of the members of the BoD shall be set for those considered to be independent and who perform primarily non-executive functions;</li> <li>- The fixed remuneration of the members of the Audit Committee and the Presiding Officers of the General Meeting shall consist of a fixed amount payable 12 times per year;</li> <li>- May be subject to an annual review by the competent body.</li> </ul>
		<b>Grounds for increase:</b> <ul style="list-style-type: none"> <li>- Performance of the individual, based on the results obtained and individual competence;</li> <li>- Changes in the scope of duties;</li> <li>- Salary increases resulting from market fluctuations, CPI, inflation, among others.</li> </ul>
Variable Remuneration	Encourage and recognise performance based on the achievement of the Group's objectives	<b>Features:</b> <ul style="list-style-type: none"> <li>- Performance bonuses based on the established criteria;</li> <li>- Both the criteria and the amounts may be subject to an annual review.</li> </ul> <b>Grounds for application:</b> <ul style="list-style-type: none"> <li>- Applicable functional area;</li> <li>- Achieving/exceeding relevant Group and Business Key Performance Indicators, as set out in point 6.2 below, as well as Budget compliance and positive change in relation to it;</li> <li>- Pursuing key behaviours (namely Rigour and Compliance, among others).</li> </ul>
Other remuneration	Attract and promote long-term retainment by means of a competitive benefit package	<b>Features:</b> <ul style="list-style-type: none"> <li>- Insurance policies (health, life, etc.), vehicles, travel allowance, among others;</li> <li>- May be subject to an annual review.</li> </ul> <b>Grounds for application:</b> <ul style="list-style-type: none"> <li>- Nature of the position;</li> <li>- Nature of the role/function performed.</li> </ul>

## 5. Remuneration Components

In line with the philosophy and principles set out, the following are the benchmark components of the Remuneration of the Board of Directors and of the Supervisory Audit Board, which rest on the concept of target pay that provides for a target compensation of approximately 70% for fixed remuneration, 20% for variable remuneration and 10% for the remaining remuneration.



Any fluctuation related to these percentages are due to the factors set out in point 4. Remuneration of Board of Directors and of the Supervisory Audit Board members and aims to establish a causal link between the grounds for compensation and the performance of the individuals.

## 6. Variable Remuneration

### 6.1 Conceptual Model

The variable Remuneration Policy for the Board of Directors includes a variable component, paid as bonuses, considering the performance evolution based on criteria defined and reviewed every year by the Remuneration Committee on a proposal from the Assessment and Remuneration Committee.

These criteria have two components:

- Quantitative, measured through the fulfilment of the Key Performance Indicators (KPIs) indexed to the GROUP's Strategic Plan and translated into annual targets, which are set at the beginning of each evaluation cycle so as to find a balance between long-term vision and short-term delivery of results.
- Qualitative, which results from an individual assessment of key competences.

The payment of the variable remuneration applicable to members of the GROUP's Governing Bodies requires the observance of two cumulative conditions: the achievement of the targets defined at the beginning of each annual evaluation cycle and drawn from the GROUP's Strategic Plan; and the satisfactory average achievement of quantitative targets, weighed with individual qualitative evaluation, which can result in a pay-out amount that ranges between predefined minimum and maximum percentages.






### 6.2 Alignment with long-term interests and sustainability

To ensure that the variable Remuneration Policy plays a critical role in fostering a long-term vision that safeguards the GROUP's future interests and sustainability, 5 aims and, consequently, objectives and targets, were defined to be achieved between 2026 and 2030, to which the application of the respective compensation is indexed.

## Strategic aims



## Objectives and targets

	Goals	Targets	Time horizon
	<b>Greater focus on Profitability in Engineering and Construction</b>		
	Turnover	2.4 B€	2026
	Geographic balance Europe - Africa - Latam	~ 1/3 each region	2026
	Less complexity	11 hubs	2026
	Larger scale per market	~150 M€	2026
	Improved profitability	EBITDA Mg 13%	2026
	<b>Stepped-Up Growth in Environment, Infra Concessions and Industrial Services</b>		
	Turnover Environment	615 M€	2026
	Improved profitability		
	Environment	EBITDA Mg 30%	2026
	Industrial Services	EBITDA Mg 33%	2026
	Asset Value in Concessions	> 4.7 B€	2026
	<b>Cross-Group Efficiency Program</b>		
	Opex reduction	50 M€	2026
	Working Capital / Turnover	7%	2026
	Capex / Turnover (average)	8%	2022-2026
	<b>New path towards Sustainability and Innovation</b>		
	Reduction of GHG emissions	40%	2026
	Valorized waste (%)	80%	2026
	Reduction in accident incidence rate	50%	2026
	Women recruited or promoted as managers	30%	2026
	Cumulative Investment in Innovation	25 M€	2026
	<b>Debt optimization and diversification</b>		
	Net debt / EBITDA	< 2,0x	2026

### 6.3 Deferral

There shall be no deferral on the payment of variable remuneration. However, the Remuneration Committee structures the remuneration of members of the Governing Bodies in such a way that allows for the long-term, continued positive performance of the COMPANY.

Ex ante, performance monitoring is carried out through the periodic assessment of KPIs drawn from the GROUP's Strategic Plan, which allows for keeping track of the COMPANY's performance evolution.

Ex-post, the remuneration policy defines specific mechanisms aimed at inhibiting the payment of the variable remuneration where one of the following conditions is not met:

- One of the targets (which corresponds to the minimum value to be attained for each KPI so that payment of variable remuneration is eligible) is not attained in accordance with the specifications set for each annual assessment cycle;
- The average achievement of the targets defined by KPI weighed with the individual qualitative assessment is unsatisfactory.

The Remuneration Committee considers that the structure of the directors' compensation, particularly the absence of any deferral mechanism for the variable component, is appropriate and facilitates the alignment of their interests with the long-term interests of the COMPANY.

For this very reason, the Remuneration Committee deems it unnecessary to set any possible maximum, aggregate and/or individual limits to the remuneration payable to the members of the governing bodies, especially considering that the adopted remuneration policy is in line with the remuneration practices of most of the similar companies, whether listed in the Portuguese capital market, or operating in international markets, considering the characteristics of the COMPANY.

#### 6.4 Clawback

In order to safeguard the long-term interests of shareholders and stakeholders, MOTA-ENGIL has implemented a clawback policy which, in the event of a restatement of the COMPANY's accounts, provides for the possibility of having the remuneration paid as variable compensation be returned.

The time frame related to the clawback mechanism shall take into account the period of restatement of the COMPANY's accounts as well as the factors giving rise to it.

#### 7. Pension Schemes

With the exception of 4 shareholders of the GROUP's founding company (2 former directors and 2 incumbent directors), for which a Pension Scheme was established, as explained in Note 39 to the Consolidated Report & Accounts 2021, MOTA-ENGIL has not established any Pension Schemes for the other Board of Directors and Supervisory Audit Board members.

#### 8. Contract duration and rights

The members of the Board of Directors and of the Supervisory Audit Board shall be elected for a three-year term of office, according to the COMPANY's Articles of Association. However, a different duration may apply in the case of co-option or other special circumstances.

The existing management contracts were concluded on an exclusive basis, with the exception of academic activities, and there are no special provisions related to contract termination or additional payments on termination, except for those required under labour law.



# MOTA-ENGIL

**[www.mota-engil.com](http://www.mota-engil.com)**



[www.facebook.com/motaengil](https://www.facebook.com/motaengil)



[linkedin.com/company/mota-engil](https://linkedin.com/company/mota-engil)



[www.youtube.com/motaengilsgps](https://www.youtube.com/motaengilsgps)