

Atlantica Sustainable Infrastructure Plc.

Terms of Reference - Nominating and Corporate Governance Committee

References to the "**Committee**" shall mean the Nominating and Corporate Governance Committee.

References to the "**Board**" shall mean the Board of Directors of the Company.

References to the "**Company**" shall mean Atlantica Sustainable Infrastructure Plc.

1. Membership

1.1. The Committee shall comprise at least two members and no more than five members. At least half of the members of the Committee shall be independent non-executive directors. Members of the Committee shall be appointed by the Board, on recommendation of the nominating committee.

1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chief executive/managing director, the head of human resources, Company General Counsel and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

1.3. Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods provided the director still meets the criteria for membership of the committee.

1.4. The Board shall appoint the Committee chairman. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Committee Chairman's duties will be limited to call meetings, prepare the agenda in consultation with the Chairman of the Board, the CEO and Committee Secretary, to chair and coordinate the meeting and to report conclusions and recommendations to the board. The chairman will not have any other duties or authority internally or externally. The chairman of the board shall not chair the committee when it is dealing with the matter of succession to the chairmanship.

2. Secretary

The Company Secretary or his or her nominee shall act as the Secretary of the Committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. Quorum

The quorum necessary for the transaction of business shall be a simple majority of its members.

4. Frequency of Meetings

4.1 The Committee shall meet at least twice a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

4.2 Should an urgent meeting be required at short notice, such meeting may be held by means of a teleconference or by the circulation of a proposed resolution to all members. Any such resolution signed by all the members of the Committee will be as effective as if it had been approved at a meeting of the Committee.

5. Notice of Meetings

5.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Committee Chairman or by the Board Chairman. Where possible, meetings of the Committee shall be held on the same date as meetings of the Board.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than two working days before the date of the meeting.

6. Minutes of Meetings

6.1 The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee chairman.

7. Annual General Meeting

The Committee chairman should attend the annual general meeting to answer questions from shareholders on the Committee's activities.

8. Duties

The Committee should carry out the duties below for the Company, major subsidiary undertakings and the group as a whole, as appropriate.

The Committee shall:

8.1 Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;

8.2 Give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;

- 8.3 Keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace;
- 8.4 Be responsible for identifying and nominating, for the approval of the Board, candidates to fill independent Board vacancies as and when they arise;
- 8.5 Before any appointment is made by the board, evaluate the balance of skills, knowledge, experience and diversity on the board, and, in the light of this evaluation, prepare a description of the role and capabilities required for an appointment. In identifying suitable candidates, the committee may:
- 8.5.1 Use open advertising or the services of external advisers to facilitate the search;
- 8.5.2 Consider candidates from a wide range of backgrounds; and
- 8.5.3 Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position.
- 8.6 Prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- 8.7 Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;
- 8.8 Keep under review corporate governance rules and developments (including ethics-related matters) that might affect the Company, with the aim of ensuring that the Company's corporate governance policies and practices continue to be in line with best practice;
- 8.9 Ensure that corporate governance codes that apply to the Company are observed;
- 8.10 Receive and consider reports on views expressed by shareholders, shareholder representative bodies and other interested parties in relation to corporate governance;
- 8.11 Make recommendations to the Board concerning any changes to practices that are required in relation to corporate governance;
- 8.12 At least annually, review such governance principles, procedures and practices and take such actions as the Committee deems necessary or appropriate;
- 8.13 Evaluate and consider the adequacy of the constitutional documents of the Company;

8.14 Make recommendations to the Board concerning any new or special committees of the Board that may be necessary to properly address ethical, legal and/or other matters that may arise;

8.15 Evaluate and make recommendations to the Board about the Board's diligence and attentiveness in applying governance best practices and responding to the requirements of the business;

8.16 Review the disclosures and statements made in the report to shareholders on corporate governance contained in the Annual Report;

8.17 Review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfill their duties; and

8.18 Work and liaise as necessary with all other Board committees.

The Committee shall also make recommendations to the Board concerning:

8.19 Formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chairman and chief executive;

8.20 Suitable candidates for the role of lead independent director;

8.21 Membership of the audit committee and any other Board committees as appropriate, in consultation with the chairman of those committees;

8.22 The re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

8.23 Any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract; and

8.24 The appointment of any director to executive or other office.

9. Reporting Responsibilities

9.1 The Committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.3 The Committee shall ensure that provisions regarding disclosure of information are fulfilled and that the Company produces a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if

external advice or open advertising has not been used, and ensure each year that it is put to shareholders for approval at the AGM. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company.

9.4 The report referred to in 10.3 above should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

10. Other matters

The Committee shall:

10.1 Have access to sufficient resources in order to carry out its duties;

10.2 Give due consideration to laws, regulations, including the general duties of directors set out in the Companies Act 2006, and any published guidelines or recommendations regarding the corporate governance rules; and

10.3 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

11. Authority

11.1 The Committee is authorized to seek any information it requires from any employee of the Company in order to perform its duties.

11.2 The committee is authorized by the board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.

June 2016