

## Atlantica Sustainable Infrastructure Plc

### Related Parties Transaction Committee - Terms of Reference

This Related Party Transactions Committee Terms of Reference (the "**ToR**") sets out the purpose, membership and qualifications, structure and operations, duties and responsibilities of the Related Party Transactions Committee (the "**Committee**" or "**RPTC**") of Atlantica Sustainable Infrastructure plc (the "**Company**"), and the procedures which guide the conduct of its functions.

These ToR should be read in conjunction with the Related Party Transactions Policy attached hereto as Appendix 1.

Capitalized terms used herein, except as otherwise defined herein, shall have the meanings assigned to them in Related Party Transaction Policy attached hereto as Appendix I.

#### **1. Membership and qualifications**

##### 1.1 Composition

The Committee shall be composed only of non-executive independent directors of the Board. The Committee shall comprise at least three and not more than five members. Members of the Committee shall be appointed by the Board.

##### 1.2 Qualification

1.2.1 Each member of the Committee shall have to disclose at any time to the Committee and to Board if he or she is conflicted for the purposes of the Related Party Transactions in accordance with Articles 84 to 86 of the Articles of Association and Section 175 of the Companies Act 2016, and the Related Party Transaction Policy.

1.2.2 Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee.

##### 1.3 Appointment

1.3.1 The Chairperson and the members of the Committee shall be appointed by a majority vote of the members of the Board present. In the absence of the Committee chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

1.3.2 Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as the members continue to be independent.

1.3.3 Membership shall be reviewed every year after the annual general meeting, or earlier if the Board deems necessary.

#### 1.4 Resignation / Removal

In the event that the Chairperson or any member of the Committee tenders his/her resignation from the Committee, such resignation shall become effective upon acceptance by the Board. The Chairperson of the Committee or any of its members may be removed from office only by action of the Board or when any member of the Committee ceases to hold the director role at the Board, either by resignation or removal.

## **2. Structure**

### 2.1 Meetings

The Committee shall meet at such times and places as it considers appropriate. The Chairperson of the Committee, any Committee member, or the Company Secretary may call a meeting of the Committee.

### 2.2 Quorum

Attendance of at least a majority of all the members of the Committee shall constitute a quorum for the Committee to transact business in a meeting to be convened. The Committee shall act only on the affirmative vote of at least a majority of the members in attendance at a meeting at which there is a quorum.

### 2.3 Chairperson

2.3.1 The Chairperson of the Committee shall preside in all meetings of the Committee. In the absence of the Chairperson, the Committee members present shall elect one of their members as chairperson of the meeting.

2.3.2 The duties of the Chairman of the Committee will be limited to call meetings, prepare the agenda, to chair and coordinate the meeting, and to report conclusions and recommendations to the board, as appropriate, and to follow up on decisions made by the Committee.

2.3.3 The chairman will not have any other duties or authority internally or externally.

## 2.4 Secretary of the Meeting

The Company Secretary 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.

## 2.5 Notice of the Meeting

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, any other person required to attend, no later than two working days before the date of the meeting.

## 2.6 Record of Meetings

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

2.6.2 Notices, minutes, agenda and materials presented during meetings will be made available to any Committee member upon request to the Secretary.

## 2.7 Other Attendees

As the Committee deems necessary, the Committee may invite members of management to attend the Committee meetings to provide relevant information or data necessary for the matters for discussion during the Committee meeting. At the discretion of the Committee, separate meetings with any member of the Company's management may be held, whenever it is deemed appropriate by the Committee for the exercise of its functions.

## **3. Duties**

3.1 The Committee shall have the following duties and responsibilities for the parent company, major subsidiary undertakings and the group as a whole, as appropriate, namely:

- A. Evaluates on an ongoing basis existing relation between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from nonrelated to related and vice versa) are captured.
- B. Evaluates all Related Party Transactions to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-

related parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:

- (i) The Related Party's relationship to the Company and interest in the transaction;
  - (ii) The material facts of the proposed Related Party Transaction, including the proposed aggregate value of such transaction;
  - (iii) The benefits to the Company of the proposed Related Party Transaction;
  - (iv) The purpose of, and the potential benefits to the Company of, the Related Party Transactions; and
  - (v) Any other relevant information regarding the Related Party Transactions.
- C. Approve and recommend for approval of the Board the Related Party Transaction only if the Committee determines in good faith that the Related Party Transactions is in the best interests of the Company and its shareholders as a whole. The Committee, in their sole discretion, may impose such conditions as they deem appropriate on the Company or the Related Party in connection with the approval of the Related Party Transactions.
- D. Report to the Board on a regular basis, as appropriate, the status and aggregate exposures to each Related Party;
- E. Evaluate and report to the Chairperson of the Board, as appropriate, or to any Non-Conflicted Director of the Board if the Chairperson is conflicted, conflicts of interest (real or perceived) of both the Board and management in accordance with the Company's Code of Conduct, the Articles of Association and applicable law;
- F. Oversees the implementation of the system for identifying, monitoring, and reporting Related Party Transactions, including a periodic review of the Related Party Transactions Policy; and
- G. Performs other activities which the Committee deems appropriate as necessary and desirable for the performance of its duties and function under this ToR, as well such other responsibilities which the Board may assign to the Committee from time to time.

#### **4. Reporting process**

##### **4.1 Report of Meetings Convened**

The Chairperson of the Committee, or in his absence, the chairperson of the meeting, shall report to the Board on the decisions and recommendations made by the Committee during

the meeting it has convened in the next scheduled Board meeting provided, including but not limited to any conflict of interest in respect with any topic and any proposal to manage the conflict of interest of any director regarding such topic.

#### 4.2 Other Reports

The Committee shall prepare such reports as may be necessary to document the activities of the Committee in the performance of its functions and duties. Such reports shall be included in the Company's annual report and other corporate disclosures as may be required by applicable law.

### **5. Performance evaluation**

#### 5.1 Periodic Assessment

The Committee shall assess its effectiveness periodically, with the end in view of ensuring that its performance accords with best practice.

#### 5.2 Annual Review

This ToR shall be reviewed annually, updated as required, and copies of this ToR shall be made available to any requesting party upon written request to the Secretary.

### **6. Authority**

The Committee is authorized to:

- (a) Seek any information it requires in order to perform its duties; and
- (b) Obtain, at the Company's expense, outside legal or other independent professional advice on any matter it believes it necessary to do so.

### **7. Amendment**

This ToR shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

*Adopted by the Board of Directors on February 2018.*

## Appendix I

### Related Party Transactions Policy

#### 1. Policy

Under the principles of good corporate governance, the Code of Conduct and applicable law, any director or executive officer of Atlantica Sustainable Infrastructure plc (the "Company") has a duty to declare any actual or potential conflict of interest in any proposed or existing transaction or arrangement.

Accordingly, it shall be the policy of the board of directors of the Company (the "Board") that all transactions with Related Parties shall be subject to approval or ratification in accordance with the procedures set forth below.

For the avoidance of doubt, any applicable laws as well as the articles of association of the Company (the "Articles of Association") shall complement this Policy and, to the extent any contradiction exists, supersede the provisions hereof.

#### 2. Definitions

**"Affiliate"** means, with respect to a person, any other person who, directly or indirectly, controls, is controlled by or is under common control with, such person. For the purposes of this definition, the term "control" and its derivations means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the person in question, whether by the ownership of voting securities, contract or otherwise.

**"Connected Person"** means, with respect to a person:

- i.a Family Member;
- ii.a body corporate with which such person is connected<sup>1</sup>
- (iii) a person acting in his capacity as trustee of a trust:
  - a) the beneficiaries of which include such person or a person who by virtue of (i) or (ii) is connected with him; or
  - b) the terms of which confer a power on the trustees that may be exercised for the benefit of such person, other than a trust for the purposes of an employees' share scheme or a pension scheme;

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<sup>1</sup> director is connected to a body corporate if the director and the persons connected with him together (a) are interested in shares comprised in the equity share capital of that body corporate of a nominal value equal to at least 20% of that share capital, or (b) are entitled to exercise or control the exercise of more than 20% of the voting power at any general meeting of that body.

- (iv) a person acting in his capacity as a business partner of such person or of a person who, by virtue of (i), (ii) or (iii), is connected with such person; or
- (v) a legal person, trust or partnership, the managerial responsibilities of which are discharged by a person referred to in (i), (ii), (iii) or (iv) above, which is directly or indirectly controlled by such a person.

**“Family Member”** means, with respect to a person: (i) a spouse or civil partner; (ii) any other person (whether of a different sex or the same sex) with whom such person lives in an enduring family relationship, including a grandparent or grandchild, sister or brother, aunt or uncle, nephew or niece; (iii) a child or step-child; (iv) a child or step-child of a person referred to at (ii) above (and who is not a child or step-child of such person) who lives with such person and has not reached the age of 18; or (v) a parent.

**“Non-Conflicted Director”** means any director of the Board who is not conflicted for the purposes of the Related Party Transaction in accordance with articles 84 to 86 of the Articles of Association and section 175 of the Companies Act 2006 and who is not a Connected Person.

**“Related Party”** means<sup>2</sup>: (i) any person who is (or was since the beginning of the last fiscal year for which the Company has filed an Annual Report, even if such person does not presently serve in that role) an executive officer or director of the Company (or of any other company which is its subsidiary undertaking or parent undertaking or a fellow subsidiary undertaking of its parent undertaking), or any person who is a Connected Person or a Family Member of such executive officer or director; (ii) any shareholder and its Affiliates entitled to appoint a director by any means, including but not limited to the Articles of Association, contract or otherwise, or any Connected Person or Family Member of any such shareholder or Affiliate; (iii) any shareholder and its Affiliates entitled to, directly or indirectly, exercise or control the exercise of more than 20% of any class of the Company's voting securities or cause the direction of the management and policies by contract or otherwise, or any Connected Person or Family Member of any such shareholder or Affiliate; or (iv) any Affiliate of a Related Party referred to in (i), (ii) or (iii) or any Connected Person or Family Member of such Affiliate.

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<sup>2</sup> Materiality threshold to be discussed. The standard industry practice is considering a RPT when the amount involved exceeds, or may be expected to exceed, US\$120,000 in any fiscal year.

**“Related Party Transaction”** means: (i) a transaction between the Company (or any of its subsidiaries) and a Related Party; (ii) any arrangement between the Company (or any of its subsidiaries) and a Related Party; or (iii) any other similar arrangement or series of similar transactions between the Company (or any of its subsidiaries) and a Related Party. For the avoidance of doubt, there is no need for a price to be charged in connection with the transaction or arrangement in order for the same to constitute a Related Party Transaction. Any amendment or modification to an existing transaction or arrangement between the Company (or any of its subsidiaries) and a Related Party will constitute a Related Party Transaction.

### **3. Procedures for Related Party Transactions**

3.1. All Related Party Transactions shall be either approved or rejected by the Non-Conflicted Directors at a meeting of the Board of Directors upon recommendation of the Related Party Transactions Committee (“RPTC”).

3.2. Prior to entering into a Related Party Transaction, the management of the Company will report it, together with a summary of the material facts, to the RPTC for their consideration in accordance with the Terms of Reference (“ToR”) of the RPTC. The RPTC will report to the Board in accordance with the RPTC’s ToR.

3.3. In determining whether to approve, ratify or reject a Related Party Transaction, the Non-Conflicted Directors will take into account, among other factors:

- (i) whether the Related Party Transaction is on terms no more favorable than terms that could have been reached with an unrelated third-party under the same or similar circumstances;
- (ii) the extent of the Related Party's interest in the transaction or arrangement;
- (iii) the purpose of, and the potential benefits to the Company of, the Related Party Transaction; and
- (iv) any other relevant information regarding the Related Party Transaction.

3.4. The Non-Conflicted Directors may approve the Related Party Transaction only if the Non-Conflicted Directors determine in good faith that the Related Party Transaction is in the best interests of the Company and its shareholders as a whole. The Non-Conflicted Directors, in their sole discretion, may impose such conditions as they deem appropriate on the Company or the Related Party in connection with the approval of the Related Party Transaction.

3.5. For avoidance of doubt, any director who has been appointed by a Related Party or any of its Affiliates pursuant to Article of Association or otherwise shall not count



toward the quorum of a meeting of the board, nor participate in any vote concerning a Related Party Transaction in respect of which such director or his/her Connected Person may have an interest (Article 86 of the Articles of Association) except that such director shall be allowed to provide information concerning the Related Party Transaction to the Non-Conflicted Directors.

3.6. Directors have a duty to avoid situations in which they have, or may have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. Conflict of interest is inherent in a Related Party Transaction. Directors must declare the nature and extent of their interests in respect of both proposed and existing transactions and arrangements. Failure to do so potentially causes harm to the Company and its reputation and may constitute a criminal offence.

3.7. If the Company becomes aware of a Related Party Transaction that has not been approved in accordance with this Policy, the Related Party Transaction shall be reviewed in accordance with the procedures set forth herein and, if the Non-Conflicted Directors upon recommendation of the RPTC determine it to be appropriate, ratified at a Board meeting. In any case, where the Non-Conflicted Directors determine not to ratify a Related Party Transaction that has been commenced without approval, the Non-Conflicted Directors, upon RPTC recommendation, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the Related Party Transaction, or modification of the Related Party Transaction to make it acceptable for ratification.

3.8. The Chief Compliance Officer shall maintain a list of Connected Persons based on the information reported annually on the Proxy Statement Questionnaires for directors and executive officers. The directors and executive officers of the Company shall notify the Chief Compliance Officer of any changes to the list of Connected Persons, their employment and/or relationships with charitable and other organizations.

#### **4. Ongoing Related Party Transactions**

##### 4.1. Follow-up

If a Related Party Transaction between the Company or any of its subsidiaries and a Related Party is ongoing, the Non-Conflicted Directors may, upon RPTC's recommendation, establish guidelines for the Company's management to follow in its ongoing dealings with such Related Party.

##### 4.2. Policy's compliance

Thereafter, the RPTC, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to ensure that they are in compliance with the Board's guidelines and that the Related Party relationship remains appropriate.

**5. Existing Policies and Procedures**

Related Party Transactions must also comply with the Code of Conduct, the Corporate Governance Guidelines and any other existing policies and procedures of the Company.

*Adopted by the Board of Directors on February 2018, London*