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## Directors' Remuneration Policy

Gestamp Automoción, S.A.

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## 1. Introduction

Pursuant to articles 249 bis and 529 novodecies 1 of the Spanish Companies Act (the “SCA”) and article 22 of the Bylaws of Gestamp Automoción, S.A. (the “Company” or “Gestamp”, and jointly with its subsidiaries (“Gestamp Group”)), the General Shareholders’ Meeting is the governing body responsible for approving the Director’s remuneration policy (the “Remuneration Policy”), at the Gestamp Board of Directors’ proposal, at least every three years, as a separate item of the agenda.

In compliance with these legal and Bylaws provisions, the following Remuneration Policy is proposed hereby to the General Shareholders Meeting, for its approval.

This document includes the remuneration applicable to directors in their conditions as such and the remuneration applicable to executive directors.

## 2. Principles

Directors’ remuneration is based on the following principles:

- (i) Sufficiency. It shall be sufficient in order to compensate their dedication, qualification and responsibility without compromising their independency.
- (ii) Competitiveness. It must help to attract and retain the talent of such professionals. At the same time, it must be in accordance with market standards applicable to national or international companies with similar characteristics.
- (iii) Dedication. It shall be in accordance with the dedication and responsibility of each director.
- (iv) Reasonability. It must be in line with the Company’s reality and that of the sector in which it operates, as well as the economic situation at any given time.
- (v) Proportionality. It must be set taking into account the Company’s remuneration and employment conditions. When the annual remuneration of directors in their condition as such is reviewed, the general review applied to Gestamp Groups management team shall also be taken into consideration.
- (vi) Good governance and transparency. The Board of Directors shall adopt any measures required to ensure good governance and transparency in the remuneration received by the Directors so as to guarantee the trust of investors and shareholders.

Directors’ remuneration for the performance of executive functions is additionally guided by the following principles:

- (vii) Performance. It shall include a variable component, that might be annual and/or multiannual, linked to the achievement of specific targets aligned with the strategic goals of Gestamp Group and to the creation of added value in a sustained way over the time.
- (viii) Proportionality. Following the principle of proportionality described in the preceding section, the remuneration structure for directors with executive duties shall be the same as the remuneration structure set for Gestamp Group management team. Similarly, adjustments to both the fixed and variable components of the annual remuneration of directors with executive duties shall be aligned with the adjustments applied, in general terms, to Gestamp Group management team.
- (ix) Equality. Director's remuneration for the performance of executive duties shall be proportional to their level of responsibility and experience.

### 3. Competent bodies

#### **Directors' remuneration in their condition as such**

The maximum annual remuneration for all the directors in their condition as such shall be the one determined by the General **Shareholders' Meeting**, and shall remain in force until such body approves any amendment thereto. However, the Board of Directors may reduce its amount in any fiscal year if such body deems it appropriate, in accordance with article 22 of the Gestamp's Bylaws.

Determining each director's remuneration in his or her condition as such, shall correspond to the **Board of Directors**, at the **Nomination and Compensation Committee's** proposal, which will take into account the functions and responsibilities assigned to each director, whether they hold a position in the Board committees and other objective conditions that may be considered relevant.

#### **Executive director's remuneration for the performance of executive duties**

Under article 529 octodecies of the SCA, the executive director's remuneration set out in contracts approved in accordance with article 249 of the SCA, will be consistent with this Remuneration Policy.

The **Board of Directors** will be responsible for determining each executive director's remuneration, at the **Nomination and Compensation Committee's** proposal, as set out in articles 8.3 (b) (ii) and 41.3 (a) (ii) of the Regulation of the Board of Directors.

## 4. Structure of the directors' remuneration in their condition as such

As provided by article 22.1 of Gestamp's Bylaws, the Directors' remuneration in their condition as such is structured as follows:

### **Fixed remuneration**

Directors receive a fixed annual amount that will be distributed by the Board of Directors as such governing body determines on the basis of each director's conditions, the duties and responsibilities attributed by the Board to him/her, and whether the director holds a position at the different committees. This may lead to different remuneration amounts for each of them. The Board will also determine the periodicity and the form of payment, which may include insurance and pension systems as set forth from time to time.

No credits, advanced payments, guarantees or indemnifications for termination of the relationship with the Company are contemplated, nor is any remuneration other than the one indicated above.

### **Maximum amount of the fixed remuneration**

The maximum global remuneration for the directors in their conditions as such, shall amount to € 1,200,000. This maximum amount shall remain in force until the approval of an amendment to this Remuneration Policy.

This amount may be reduced in such fiscal years in which the Board of Directors may deem appropriate, in accordance with article 29.2 of the Regulation of the Board of Director of the Company.

## 5. Structure of the executive directors' remuneration for their performance of executive duties

As provided by article 22 of Gestamp Bylaws, if a director is assigned executive duties, it will be necessary to execute an agreement by and between the director and the Company in accordance with the provisions set forth in the SCA. The agreement shall include any concept by virtue of which the director may receive any remuneration for performing executive duties including, where appropriate, severance payments and the amounts to be paid by the Company as insurance premiums or contribution to saving systems.

Such agreement may include a fixed remuneration and an additional variable remuneration, which will accrue provided the targets previously determined are achieved. In any case, the variable remuneration

will be related to the professional performance and will be linked to certain performance criteria that: (i) will be predetermined and measurable; and (ii) will take into account the risk assumed to achieve a certain result.

The structure of the remuneration of the directors for the performance of their executive duties is detailed below and it is similar, in terms of concepts and components, to the one provided for the senior management of Gestamp Group.

### **Fixed remuneration**

The fixed remuneration amount will be determined according to the executive duties linked to the position, the level of responsibility, their experience and contributions to the position and the remuneration standards of the market in which the Company operates.

### **Variable annual and multiannual remuneration**

The goal of the variable remuneration for executive directors is to: (i) link part of their remuneration to the accomplishment of specific targets aligned with the strategic targets and the creation of value for Gestamp Group, (ii) foster their commitment and (iii) link their short and long-term goals to those of Gestamp Group and its shareholders.

The Board of Directors, at the Nomination and Compensation Committee's proposal, will determine the variable remuneration considering the level of fulfilment of the targets pursued by this remuneration.

#### **Variable annual remuneration**

The variable annual remuneration shall remunerate, the contribution to the achievement of concrete and quantifiable targets established by the Gestamp Group, which may include targets of an economic-financial and non-financial nature, and different weights may also be assigned to each target.

Economic and financial targets shall be linked to Gestamp Group's performance in each financial year according to the metrics established in the budget for that year and may be based, among others, on EBITDA, Net Debt, level of investment (CAPEX), Working Capital and Free Cash Flow.

Non-financial targets may include targets linked to the development of certain policies that are particularly important to Gestamp Group such as, among others, sustainability from a social, environmental and good corporate governance perspective, talent management, the development of comprehensive management systems or the development of new technologies.

Variable annual remuneration shall be set as a percentage of the total fixed annual remuneration. The metrics for determining the degree of achievement for each year shall be set in advance and approved by the Nomination and Compensation Committee.

To determine the variable annual remuneration accrued in each year, the following thresholds shall

apply: a minimum threshold of achievement (set at 70%), below which the right to receive the variable annual remuneration will not be granted, and a maximum threshold of achievement (set at 120%), above which the amount of the variable annual remuneration will remain constant. If the level of achievement falls between the maximum and the minimum threshold, variable annual remuneration shall accrue in accordance with the percentage achieved.

#### **Variable multiannual remuneration (Long-term incentive)**

This remuneration pursues to reward the creation of sustainable value to the shareholder in the long-term, as well as to motivate and retain the key employees of Gestamp Group. For such purpose, the Company may establish long-term remuneration schemes, the duration of which may exceed the one of this Remuneration Policy, and the goals of which shall be linked to the achievement of predetermined, concrete and quantifiable long term targets, which shall include, in any case, targets of an economic-financial nature, with the aim to promote value creation of Gestamp Group in a sustained way over time. The achievement metrics will be previously established and approved by the Nomination and Compensation Committee.

Like the variable annual remuneration, the following thresholds shall apply to the variable multiannual remuneration: a minimum achievement threshold (set at 70%), below which the right to receive the referred remuneration will not be granted and a maximum achievement threshold (set at 120%) above which the amount of the variable multiannual remuneration will remain constant. If the level of achievement falls between the maximum and the minimum threshold, variable multiannual remuneration shall accrue in accordance with the percentage achieved.

In addition to the above, these incentive schemes may include the delivery of shares of the Company or other share-based instruments if approved by the General Shareholders' Meeting at the proposal of the Board of Directors, on the basis of a favourable report issued by the Nomination and Compensation Committee.

#### **Other remuneration components**

Executive directors may benefit from the conditions or social benefits applicable to executives of Gestamp Group.

## **6. Basic contract conditions applicable to executive Directors.**

In general, the contractual conditions applicable to directors in relation to their performance of executive duties shall be as follows:

- (i) Term. As a general rule, contracts shall be concluded for an indefinite term, remaining in force

as long as the executive director remains in his/her position. Contracts shall not include advance notice periods in the event of dismissal.

- (ii) Legislation. The contracts shall be of a commercial nature and shall be governed by the applicable legislation.
- (iii) Exclusivity. Directors with executive duties shall be required to provide their services exclusively to the Gestamp Group's companies throughout the contract term unless expressly authorized otherwise.
- (iv) Non-compete obligation. As long as their contracts remain in force, directors with executive duties shall not be allowed to perform any activities, either directly or indirectly, that could enter into competition with any company of Gestamp Group.
- (v) Verification of variable remuneration components. The following provisions related to verification of the variable components of remuneration shall be included:
  - (a) Qualifications of the auditors. Payment of any variable annual remuneration linked to the Company's profits shall take into account any qualifications included in the auditor's report that could reduce Company's profits.
  - (b) Deferral. Neither the annual nor the multiannual variable remuneration shall be paid until the consolidated financial statements of Gestamp Group have been approved by the Company's General Shareholders' Meeting.
  - (c) Claw back provision. The Company shall be entitled to claim reimbursement of the variable components of the remuneration if payment was not consistent with director's actual performance or was based on data which subsequently prove to be misstated.
- (vi) Provisions related to termination of contracts entered into with executive directors. Payments arising from termination of contracts entered into with executive directors (including amounts remunerating post-contractual non-compete obligations) shall not exceed the amount equivalent to twice the total annual remuneration. Pursuant to section (ii) (b) above, the variable annual remuneration related to this compensation shall not be paid until the consolidated financial statements of Gestamp Group have been approved by the Company's General Shareholders' Meeting.
- (vii) Post-contractual non-compete provision. Once the contract is terminated, directors with executive duties shall not be allowed to render any services, either directly or indirectly, on their own account or on behalf of third parties, personally or through an agent, if such services concur or compete with the Company or Gestamp Group's companies activities. The non-compete obligation shall be in force for one (1) year after contract termination and shall be compensated



as set out in the relevant contract.

- (viii) Contract termination due to a change of control in the Company. Except for the Executive Chairman contract, contracts entered into between the Company and directors with executive duties, shall include a provision whereby, in the event the director resigns as a result of a change of control in the Company, the director shall be entitled to a compensation as set out in the contract, which shall be limited to twice the annual fixed remuneration at the time of resignation.

## 7. Remuneration of the Executive President and the Executive Director.

According to the foregoing, the remuneration of the executive directors for their performance of executive duties shall consist of:

### Executive Chairman

- (i) **Fixed Remuneration:** € 714,000 per year.
- (ii) **Annual Variable Remuneration:** € 306,000 per year on the basis of a 100% performance of the predetermined targets.
- (iii) **Multiannual Variable Remuneration:** no multiannual variable remuneration scheme is defined for the Executive President.
- (iv) **Payment in kind:** it includes a life insurance.
- (v) **Post-contractual non-compete obligation:** it is remunerated with an economic compensation amounting to € 1,000,000, to be paid in twelve (12) monthly installments.

### Executive Director

- (i) **Fixed Remuneration:** € 300,000 per year.
- (ii) **Annual Variable Remuneration:** no annual variable remuneration scheme is defined for the director with executive duties.
- (iii) **Multiannual Variable Remuneration:** a multiannual remuneration scheme corresponding to the period from 2017 to 2022 has been granted which implies a remuneration amounting to € 3,000,000 on the basis of 100% performance of the predetermined targets.
- (iv) **Payment in kind:** it includes a life insurance and a company car.

- (v) **Post-contractual non-compete obligation:** compensation of this non-compete obligation is included in the director's remuneration described in the previous paragraphs.

The review of the remuneration package of the Executive Chairman and the executive director for future periods will be determined by the Board of Directors at the proposal of the Nomination and Compensation Committee, in accordance with this Remuneration Policy, considering, in particular, (i) the value and merits of the executive director, (ii) the market conditions in comparable companies, (iii) the Company's capacity to undertake such review and, and (iv) the evolution of responsibilities and functions assumed by each of them. To these effects, in application of the Remuneration Policy, the Board of Directors, at the proposal of the Nomination and Compensation Committee, may approve the update of the amounts of the fixed and variable annual remuneration of the Executive Chairman and executive director, if such update is aligned with the salary update generally applied to Gestamp Group's Corporate Services employees.

## 8. New appointments

The remuneration of any new executive director shall be governed by this Remuneration Policy, considering the experience and knowledge of the candidate, if it is an internal or external candidate and its remuneration at the time of the appointment.

The Board of Directors shall approve the remuneration of the new executive director at the proposal of the Nomination and Compensation Committee.

## 9. Period of validity

This Remuneration Policy shall be in force for the period 2021, 2022 and 2023.

## 10. Other relevant data

The Company has contracted a liability insurance policy for the directors and managers of Gestamp Group to cover whatever liability may derive from the performance of their duties.

## 11. Scope

This Remuneration Policy is applicable to the members of the Board of Directors of the Company.