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**MODEL ANNEX I  
ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF  
LISTED PUBLIC LIMITED COMPANIES**

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GESTAMP AUTOMOCIÓN, S.A.

Registered Address:

Polígono Industrial de Lebario, s/n, Abadiano, 48220, Bizkaia

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

### A THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT YEAR

A.1.1 Please explain the current directors' remuneration policy for the current year. Insofar as it is relevant, certain information may be included by reference to the remuneration policy approved by the general shareholders' meeting, provided that its inclusion is clear, specific and concrete.

A description must be given of the specific decisions for the current financial year, both regarding directors' remuneration for their status as such and for the performance of executive duties, which the board has carried out in accordance with what is set out in the contracts signed with the executive directors and with the remuneration policy approved by the general meeting.

In any case, the following aspects should be reported as a minimum:

- a) Description of the company's procedures and bodies involved in determining, approving and applying the remuneration policy and its conditions.
- b) State and, where appropriate, explain whether comparable companies have been taken into account in establishing the company's remuneration policy.
- c) Information on whether any external advisor has participated and, if so, the identity of the advisor.

The Directors' Remuneration Policy of Gestamp Automoción, S.A. (the "Company") for the 2024, 2025, 2026 and therefore, in force at the date of issuance of this report was approved by the Ordinary General Shareholders' Meeting held on 9 May 2023. Said policy will be referred to hereinafter as the "Current Remuneration Policy".

#### A- PROCEDURES AND BODIES INVOLVED

The Board of Directors of the Company is the body responsible for proposing the remuneration policy to the General Shareholders Meeting. After the approval of the Policy by the Company's General Shareholders' Meeting, and pursuant with it the Board of Directors is responsible for (i) on the one hand, distributing the fixed annual sum of directors for their status as such, which shall take into account the conditions of each director, the duties and responsibilities attributed to them and their membership on the various committees (lii) on the other hand, with respect to executive directors, the Board of Directors determines their remuneration for executive duties and other contractual conditions, in all cases, in accordance with the provisions in the remuneration policy.

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The Nomination and Compensation Committee proposes to the Board of Directors, for submission to the General Meeting, the Directors' remuneration policy and also proposes to the Board of Directors the individual remuneration of all Directors and the terms and conditions of the contracts of the Executive Directors.

Finally, the General Shareholders' Meeting of the Company approves the remuneration policy.

## B. REMUNERATION POLICY FOR CURRENT FINANCIAL YEAR (2024)

### **Remuneration of Directors for their status as such:**

In accordance with the Current Remuneration Policy, the remuneration of Directors for their status as such entails an annual fixed sum, which shall not exceed 1,400,000 euros per year.

The Nomination and Compensation Committee, in its meeting on 18 December 2023, verified the compliance of the remuneration policy applied in 2023. Likewise, on the same date, and within the framework established in the Current Remuneration Policy, the Nomination and Compensation Committee agreed to submit for the approval of the Board of Directors an increase in the amount of fixed remuneration for membership of the Board of Directors (with no change to the amounts for chairmanship and membership of the Committees), a proposal that was then approved by the Board of Directors on the same date. As a result, the remuneration of the Directors for their status as such, applicable as from 1 January 2024, is as follows:

Fixed remuneration for Board of Directors membership: 90,000 euros/year (having been 85,000 euros/year in 2023).

Fixed remuneration for committee membership: 20,000 euros/year (the same amount set in 2023).

Fixed remuneration for chairing any of the Committees: 20,000 euros/year (the same amount set in 2023).

### **Remuneration of Directors for the performance of executive duties:**

Likewise, at the same meeting referred to above, the Nomination and Compensation Committee also agreed to submit for approval by the Board of Directors a 3% salary

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increase on the fixed and variable remuneration of the Executive Chairman, Mr Francisco José Riberas Mera, with effect from 1 January 2024, applying the same salary review percentage that the one applied for the staff of the Corporate Services and companies belonging to its group (hereinafter, the "**Group**") and within the framework established in the Current Remuneration Policy. As a result of the foregoing, the Executive Chairman's remuneration for financial year 2024 is as follows:

- **Annual fixed remuneration:** 772,191 euros (having been 749,700 euros/year in 2023).
- **Annual variable remuneration:** 330,939 euros (having been 321,300 euros/year in 2023).

Although the Current Remuneration Policy provides for the possible inclusion of pluriannual variable remuneration in the remuneration system for Executive Directors, the Executive Chairman is not a beneficiary of this remuneration as he holds (through Acek Desarrollo y Gestión Industrial, S.L.) a significant shareholding in the Company. This situation essentially implies an alignment of the Executive Chairman's interests with the business interests of the Group in the long term.

On the other hand, it is stated that the service agreement by and between the Company and the Director Mr Francisco López Peña expired on 31 December 2023. In this respect, since 1 January 2024, the Director Mr Francisco López Peña is no longer classified as an "executive" director and is now classified as a "proprietary" director instead.

#### C. REMUNERATION POLICIES OF COMPARABLE COMPANIES. PARTICIPATION OF EXTERNAL ADVISORS.

At the meeting held on 18 December 2023, the Nomination and Compensation Committee, for the purpose of proposing the determination of the individual remuneration of Directors for their status as such referred to above for financial year 2024, took into account in its analysis the main conclusions on remuneration of the Spencer Stuart Index, a report that analyses 100 listed companies, including those of the Ibex-35.

- d) Procedures under the existing Director remuneration policy for applying temporary exceptions to the policy, conditions in which these exceptions and components may be used, which may be subject to exceptions according to the policy.

The Current Remuneration Policy states that any temporary exception or amendment of the Directors' remuneration must be approved by the Board of

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Directors, at the proposal of the Nomination and Compensation Committee, and can only be applied when necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability.

- A.1.2 The relative importance of variable remuneration items compared to the fixed remuneration items (remuneration mix) and what criteria and goals have been taken into account in determining them and to guarantee an appropriate balance between the fixed and variable components of remuneration. In particular, state the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to adapt it to the company's long-term goals, values and interests. This may include, where appropriate, a reference to measures established to ensure that the company's long-term results are factored into the remuneration policy, measures taken in relation to categories of employees that perform professional activities with material repercussions on the entity's risk profile and measures aimed at preventing conflicts of interest.

Moreover, state whether the company has established any period of accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, a period of deferral in the payment of amounts or delivery of financial instruments already accrued and consolidated, or whether any clause has been agreed to reduce deferred remuneration not yet consolidated or oblige the director to return remuneration received, when such remuneration has been based on data which has subsequently been clearly proven to be inaccurate.

With respect to the Directors in their status as such, the Current Remuneration Policy is aimed at compensating Directors properly for their dedication and responsibility, without jeopardising their independence under any circumstances. In this regard, the remuneration of Director for their status as such consists exclusively of a fixed remuneration in cash. As mentioned above, in determining the individual remuneration of the Directors in their capacity as such for financial year 2024, and to ensure that this remuneration is appropriate and in line with market criteria and the reality of the Company, the Nomination and Compensation Committee took into account a comparative analysis based essentially on the Spencer Stuart Index of Listed Companies, with a special focus on the analysis of directors' remuneration in 100 listed companies, including all those belonging to the Ibex-35.

Furthermore, in accordance with the provisions of the Current Remuneration Policy, only the Company's Executive Directors can have, where applicable and in addition to their fixed remuneration, variable elements as part of their remuneration, which amount may not exceed to the 50% of the fixed remuneration amount applicable at any given time. In this respect, the remuneration mix of the Executive Chairman of the Company's Board of Directors, Mr Francisco José Riberas Mera, consists of an annual fixed remuneration that represents 70% and an annual variable remuneration that represents 30% of the total remuneration, assuming a performance rate of 100% in relation to the corresponding objectives.

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In any case, the terms and conditions of the components of the annual variable remuneration of the Company's Executive Directors, when applicable, can always be adjusted according to the degree of achievement of the corresponding objectives, including the possibility of accruing no variable remuneration if the objectives have not been achieved by a minimum percentage of 70%, and there is also no guaranteed variable remuneration.

On the other hand, the main aim of the Current Remuneration Policy is the creation of value in a sustained manner over time, ensuring its transparency and objectivity. In this regard:

(i) The annual variable remuneration applicable in the current financial year and only to the Executive Chairman is determined based, a) on the one hand, on the achievement of two financial goals linked to the value of the Group in the short term and b) on the other hand, the level of achievement of two qualitative goals, linked to the degree of progress and implementation of the Phoenix strategic project and the ESG (Environmental, Social and Governance) Strategic Plan 2025.

(ii) The aim of pluriannual variable remuneration is to create value in the long term and to align the interests of its beneficiaries with the interests of the Company. It also allows for the evaluation of results over time, considering the business strategy in place at any given time. In this respect, the Executive Chairman, Mr Francisco José Riberas, holds (through Acek Desarrollo y Gestión Industrial, S.L.) a significant shareholding in the Company. This situation essentially implies an alignment of the Executive Chairman's interests with the business interests of the Group in the long term. As a result, the Executive Chairman's remuneration does not include pluriannual variable elements.

In addition, and to ensure that the Current Remuneration Policy is not exposed to any excessive risks:

(i) Variable remuneration is accrued after the Group's financial statements have been prepared by the Board of Directors, and it is paid after the financial statements have been approved by the General Shareholders' Meeting.

(ii) The components of the variable remuneration are flexible enough for the remuneration amount to fluctuate, including down to zero.

(iii) The variable remuneration is subject to claw-back clauses that allow the Company to claim reimbursement of the variable components of the remuneration if it is found that the settlement and payment thereof was fully or partially based on false or inaccurate information or if risks or other circumstances arise that have neither been foreseen or accounted for by the Company and which have a material negative effect on the income statement.

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With regard to the measures required to prevent conflicts of interest on the part of the Directors, in line with the provisions of the Spanish Companies Act, the Regulations of the Board of Directors establish the duty of directors to inform the Company of any direct or indirect situation of conflict that they or persons linked to them may have as regards the interests of the Company. In this sense, apart from the communication that the directors may send to the Company, as applicable, in the event of a conflict of interest, the directors are required to make a statement indicating the existence of any conflict with the Company's interests upon preparation of the financial statements and the semi-annual financial information by the Board of Directors.

On the other hand, the Regulations of the Board of Directors regulate the duties of Directors, including the duty to abstain, the duty not to compete, duties relating to limitations on the use of non-public information and corporate assets and duties relating to not taking advantage of business opportunities.

**A.1.3 Amount and nature of the fixed components that directors are expected to accrue during the year for their status as such.**

The amount and nature of the fixed components of the Directors' remuneration in their capacity as such which are expected to accrue in the current year 2024 are detailed individually in section A.1.1 letter B of this report. These amounts are presented below on an aggregate basis taking into account the number of Directors and Committees:

- Fixed remuneration for Board of Directors membership: 1,080,000 euros per year.
- Fixed remuneration for committee membership: 200,000 euros per year.
- Fixed remuneration for Chairing committees: 60,000 euros per year.

Therefore, the total amount expected in the 2024 financial year for Directors for their status as such will be 1,340,000 euros per year, which is below the overall maximum limit of 1,400,000 euros per year established in the Current Remuneration Policy.

No other remuneration items or social benefits have been established regarding the director status.

**A.1.4 Amount and nature of the fixed components that will be accrued in the year for executive directors' performance of senior management duties.**

The amount and nature of the fixed components of the Executive Chairman's remuneration that are expected to be accrued during the current financial year are detailed individually in section A1 of this report.

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- A.1.5 The amount and nature of any component of remuneration in kind that will be accrued in the financial year including, but not limited to the insurance premiums paid for the director.

No remuneration in kind is specified for the Directors for their status as such or for the Executive Chairman of the Company's Board of Directors.

- A.1.6 Amount and nature of the variable components, differentiating between those established in the short and long term. Financial and non-financial parameters, the latter including social, environmental and climate change parameters, selected to determine the variable remuneration in the current year, an explanation of the extent to which these parameters relate to the performance of both the director and the entity and to its risk profile, and the methodology, period required and techniques envisaged to determine, at the end of the year, the degree of compliance with the parameters used to design the variable remuneration, explaining the criteria and factors applied as to the time required and the methods used to verify the actual fulfilment of the performance and any other conditions applicable to the accrual and consolidation of each variable remuneration component.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters set, and whether there is any maximum monetary amount in absolute terms.

**Amount and nature of variable components. Parameters selected to determine the variable remuneration in the current financial year.**

As set out in the Current Remuneration Policy, variable elements are only included in the Executive Chairman's remuneration.

The aim of the Executive Chairman's annual variable remuneration is as follows: (i) to link part of their remuneration to the accomplishment of specific targets aligned with the strategic goals and the creation of value for the Group, (ii) to strengthen their commitment and (iii) to link their short-term goals to those of the Group and its shareholders. The targets set in the annual variable remuneration system are linked to the professional performance of the beneficiary and are defined on a predetermined, measurable basis. As a result, they allow for the remuneration of performance in the short term.

**Annual Variable Remuneration**

The annual variable remuneration applicable to the Executive Chairman, Mr Francisco José Riberas Mera, for financial year 2024 contains financial parameters



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with a relative weight of 75% of the total annual variable remuneration and non-financial parameters with a relative weight of 25%:

- The financial instruments are linked to the fulfilment of two economic and financial goals with different levels of weighting: 60% linked to consolidated EBITDA and 40% linked to free cash flow, as set out in the annual budget. The degree of fulfilment of said goals is calculated by comparing the actual value attained during the year with the target value defined in the annual budget.
- The non-financial parameters are linked to the achievement of two non-financial goals with the same level of weighting, i.e. 12.5% each. These parameters consist of:
  - on the one hand, performance of the Phoenix strategic programme which was launched in 2024. The Board of Directors will regularly analyse the level of achievement and progress of this programme. The Phoenix programme has a global scope and a time horizon that spans several years. It focuses on the growth and consolidation of Group operations in the US region. The programme aims to improve the efficiency and effectiveness of operations in this region and to consolidate the organisation and culture of the Group. The programme is based on a range of initiatives with different objectives; and,
  - on the other hand, the compliance with the ESG Strategic Plan 2025, which was approved by the Board of Directors on 19 December 2022 following its proposal by the Sustainability Committee. This plan aims, through a series of initiatives with a 3-year time horizon, to create value for the Group in a sustained manner over time, to improve competitiveness and to mitigate risks with the ultimate aim of aligning the interests of the Group with those of society in general and with the different stakeholders in particular.

The amount of overall annual variable remuneration is calculated by taking the target variable remuneration as the basis and applying a percentage to the amount based on the degree of fulfilment of each goal established and its relative weight. For each target pay curve has a minimum threshold of 70% and a maximum threshold of 120%. If the result achieved is less than 70%, no variable remuneration is accrued for that target, and if it is between the minimum threshold (70%) and the maximum threshold (120%), it is remunerated according to the percentage actually achieved. Beyond the maximum 120% threshold, 120% remuneration is given regardless of the resulting figure.

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In financial year 2024, the amount of the Executive Chairman's variable remuneration target amounts to 330,939 euros per year, assuming a performance rate of 100%, as approved by the Board of Directors at its meeting on 18 December 2023, at the proposal of the Nomination and Compensation Committee.

**Necessary time and techniques envisaged to be able to determine, at the end of the financial year, the degree of compliance with the parameters used to design the variable remuneration.**

Achievement of the targets is assessed by the Nomination and Compensation Committee on a yearly basis so that the Board of Directors can then determine the amount of annual variable remuneration payable to the Executive Chairman.

The degree of fulfilment of the economic/financial targets is quantified based on the EBITDA and Free Cash Flow figures in the Group's Consolidated Financial Statements. As such, fulfilment of these targets is determined after the financial statements have been audited and approved, where applicable, by the General Shareholders' Meeting.

The degree of fulfilment of the non-financial targets is determined at the end of the financial year:

- On the one hand, in relation to the targets linked to the Phoenix strategic programme, as the programme is based on a range of initiatives with different objectives, the project management committee will determine the degree of progress or fulfilment of the assumed commitments for the reference year for each initiative. This degree of fulfilment will then be verified by the Nomination and Compensation Committee.
- On the other hand, in relation to the targets linked to the ESG Strategic Plan 2025, the degree of fulfilment is calculated by the Group's Sustainability Committee, then validated by the Sustainability Committee and verified by the Nomination and Compensation Committee.

- A.1.7 Main features of the long-term savings systems. Among other information, the following must be stated: any contingencies covered by the system, if it is a defined contribution or benefit system, the annual contribution to be made to defined contribution systems, the benefit to which the beneficiaries are entitled regarding defined benefit systems, the conditions of consolidation of the economic rights of the directors and their compatibility with any type of payment or compensation for dissolution or early termination, or deriving from the termination of the contractual relationship, under the terms envisaged, between the company and the director.

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State whether the accrual or consolidation of any of the long-term savings schemes is linked to the achievement of certain targets or parameters related to the short and long-term performance of the director.

The Current Remuneration Policy does not include long-term savings schemes for Directors.

- A.1.8 Any type of payment or compensation for dissolution or early termination or that deriving from the termination of the contractual relationship under the terms established between the company and the director, whether the termination is at the will of the company or of the director, as well as any type of agreed pacts, such as exclusivity, post-contractual non-compete and long-service or loyalty clauses, which give the director the right to any type of payment.

Up to the issuance date of this report and during the current financial year, there has been no payment or compensation for termination, or early termination, or situations deriving from the discharge of the contractual relationship under the terms established between the Company and the Director, or clauses agreed, such as exclusivity, post-contract non-compete, long-service or loyalty clauses.

The expiry, on 31 December 2023, of the service agreement entered into by and between the then Executive Director Mr Francisco López Peña and the Company did not result in payment of any of the above-mentioned elements as the contract ended due to expiry of its stated term and the compensation arising from the post-contractual non-compete clause defined in the contract was included in the fixed remuneration received by the Director.

- A.1.9 Indicate the conditions that must be met in the contracts of those performing senior management duties as executive directors. Among other information, indicate the term, limits on the sum of severance payments, long-service clauses, advance notice deadlines and payment in substitution of the advance notice, as well as any other clauses relating to contract premiums, compensation or redundancy payments for early termination or termination of the contractual relationship between the company and the executive director. Include the non-compete, exclusivity, long-service or loyalty agreements and post-contractual non-compete clauses, among other items, unless they have been explained in the previous section.

**Characteristics of the contract signed with Mr Francisco José Riberas Mera, Executive Chairman:**

- **Term.** Indefinite.
- **Exclusivity.** Clause establishing the obligation of the Executive Chairman to provide his services to the Group companies with absolute and exclusive

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dedication during the term of the contract, unless expressly authorised otherwise.

- **Non-compete obligation.** Clause establishing the commitment of the Executive Chairman, during the term of the contract, not to carry out on his own account or on behalf of others, by himself or through third parties, any activity that may involve actual or potential competition with any Group company.
- **Post-contractual non-compete agreement.** Clause whereby the Executive Chairman undertakes, after termination of the contract and provided that the Company so requires, not to maintain any relationship or interest, directly or indirectly, as an investor, shareholder, employee or service provider with any individual or legal entity whose activity is concurrent with that of the Company or the companies of its Group. The duration of this agreement will be one year from the date of termination of the contract and the compensation amounts to 1,000,000 euros gross to be paid in twelve monthly instalments for the duration of the non-compete clause.
- **Severance pay.** If the Executive Chairman is unilaterally dismissed for reasons other than severe breach or negligence, they shall be entitled to receive gross severance pay equal to the sum of two years of fixed and variable remuneration at the rate in effect at the time of dismissal.
- **Limit.** The total amount of the compensation to be paid, where appropriate, to the Executive Chairman by virtue of the contract, may not exceed in aggregate two years of his annual fixed and annual variable remuneration.
- **Claw-back clause.** A clause that allows the Company to claim reimbursement of the variable components of the remuneration if it is found that the settlement and payment thereof was fully or partially based on false or inaccurate information or if risks or other circumstances arise that are unforeseen and have not been undertaken by the Company, which have a material negative effect on the income statement.

A.1.10 The nature and estimated amount of any other supplementary remuneration that will be accrued by the Directors in the current financial year in consideration for services rendered other than those inherent to their position.

The Current Remuneration Policy does not provide for any supplementary remuneration in return for services rendered other than those inherent to the position of the Directors in their capacity as such or for Directors with executive duties.

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- A.1.11 Other remuneration items such as those deriving, where applicable, from the company granting the director advances, loans and guarantees and other remuneration.

The Current Remuneration Policy does not consider the possibility of any type of loan, advance payment, guarantee or any other remuneration other than those expressly indicated in the Current Remuneration Policy as a form of remuneration for Directors and, therefore, it is not expected that any amount will be accrued in the current financial year for these items.

- A.1.12 The nature and estimated amount of any supplementary remuneration envisaged and not included in the previous sections, whether paid by the entity or another group entity, which will be accrued by directors in the current financial year.

The Current Remuneration Policy does not provide for the accrual of any additional remuneration not included in the above sections for Directors.

- A.2 Explain any significant change in the remuneration policy applicable to the current year arising from:

- a) A new policy or a modification of the policy already approved by the Board.
- b) Significant changes in the specific decisions established by the Board for the current financial year of the remuneration policy in force with respect to those applied the previous year.
- c) Any proposals that the Board of Directors has agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted and which are proposed to apply to the current financial year.

During the current financial year, there has not been relevant change in the current remuneration policy. At the time of writing this report, the Board of Directors is not expected to propose to the General Shareholders' Meeting any amendments to the Current Remuneration Policy.

- A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

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extension://efaidnbmnnnibpcajpcgclefindmkaj/https://gestamp.com/Gestamp11/media/GestampFiles/Shareholders%20Investors/Corporate%20Governance/Corporate%20Policies/Director%20Remuneration/DOC-12A-Politica-Remuneraciones-Consejeros-2024-2026.pdf?ext=.pdf

- A.4 Considering the information provided in section B.4, explain how the shareholders' vote was taken into account at the general meeting at which the annual remuneration report for the previous year was put to a vote on an advisory basis.

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The ordinary General Shareholders' Meeting of the Company held on 09 May 2023 approved as a separate item on the agenda, on an advisory basis, and with 98.36% of votes in favour, the Annual Report on the Remuneration of Company Directors for financial year 2022. This agreement obtained 1.61% votes against and 0.03% abstentions. In this respect, it is noted that no intervention was made by any shareholder on this agenda item.

## **B OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE PREVIOUS YEAR**

- B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration set out in section C of this report. This information shall include the role played by the compensation committee, the decisions taken by the board of directors and, where applicable, the identity and role of the external advisors whose services have been used in the process of applying the remuneration policy during the previous financial year.

The process followed to apply the current remuneration policy for the year (hereinafter, the "Remuneration Policy") and to determine the individual remuneration of the Directors was as follows:

Following a proposal from the Nomination and Compensation Committee, the Board of Directors, at its meeting on 19 December 2022, approved the increase to the fixed remuneration for Directors in their capacity as such during financial year 2023. As such, the resulting remuneration of Directors in their capacity as such was determined in the following manner:

- Fixed remuneration for Board of Directors membership: 85,000 euros/year (having been 80,000 euros/year in 2022).
- Fixed remuneration for Committee membership: 20,000 euros/year (having been 15,000 euros/year in 2022).
- Fixed remuneration for chairing a Committee: 20,000 euros/year (having been 15,000 euros/year in 2022).

The overall remuneration determined for Directors for their status as such corresponding to financial year 2023 was 1,195,000 euros per year. This sum is lower than the overall maximum limit set in the Remuneration Policy (1,200,000 euros per year). The difference with respect to the remuneration amount for 2022 is explained in section B.5 of this report.

In relation to the Executive Directors, the following increases to the remuneration package were approved:

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- Executive Chairman. 5% increase to fixed and variable remuneration:
  - Annual fixed remuneration: 749,700 euros (having been 714,000 euros/year in 2022).
  - Annual variable remuneration: 321,300 euros (having been 306,000 euros/year in 2022).
  
- Executive Director. 5% increase to fixed remuneration:
  - Annual fixed remuneration: 315,000 euros (having been 300,000 euros/year in 2022).

The Executive Director did not receive any annual variable remuneration.

The Executive Chairman was a beneficiary of the Long-Term Incentive that was in effect until 31 December 2022. The settlement and payment of this incentive occurred in may 2023.

At its meeting on 27 February 2023, the Nomination and Compensation Committee:

- Verified the degree of fulfilment of the variable component of the Executive Chairman's annual remuneration for financial year 2022 and the result of this component. This was subsequently approved by the Board of Directors at its meeting on the same date. In this respect, the percentage of achievement of the 2022 targets was 108.5% and, therefore, the Executive Chairman of the Board of Directors received 332,010 euros for this component. The total achievement rate is the result of applying the following calculations:

(Financial components 75% \*Achievement rate 112.9%) + (Non-financial component 25% \*Achievement rate 95%)

- Verified the degree of achievement of the Long-Term Incentive of which the Executive Chairman was a beneficiary and which expired on 31 December 2022. This degree of achievement was subsequently approved by the Board of Directors at its meeting on the same date. In this respect, the percentage of achievement was 105% and, therefore, the Executive Chairman received 3,150,000 euros for this component.

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The amounts reflected were paid at the end of May, after having been completed the external audit without qualifications, and the approval of the Group's Consolidated Financial Statements at the Company's General Shareholders' Meeting held on 9 May 2023.

Lastly, at its meeting on 27 February 2024, the Nomination and Compensation Committee verified the degree of achievement of the variable component of the Executive Chairman's annual remuneration for financial year 2023 and the result of this component. This was subsequently approved by the Board of Directors at its meeting on the same date. In this respect, the percentage of achievement of the Executive Chairman's annual variable remuneration targets for financial year 2023 was 91.8%. Thus, the Executive Chairman will receive 294,953 euros for this concept once the Consolidated Annual Accounts for the financial year 2023 are audited by the Company's external auditor and, if applicable, approved by the General Shareholders' Meeting of the Company to be held in May 2024. The total achievement rate is the result of applying the following calculations:

(Financial components 75% \*Achievement rate 93.1%) + (Non-financial component 25% \*Achievement rate 88.0%)

- B.1.2 Explain any deviations from the procedure established for the application of the remuneration policy that have occurred during the financial year.

There have been no events or circumstances that have led to a deviation from the established procedure for the application of the Remuneration Policy during the current financial year.

- B.1.3 Indicate whether any temporary exceptions to the remuneration policy have been applied and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the application of these exceptions has had on the remuneration of each director during the year.

No temporary exceptions to the Remuneration Policy have been applied during the current financial year.



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- B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have helped to reduce exposure to excessive risks and to adapt it to the company's long-term goals, values and interests, including a reference to measures established to ensure that the company's long-term results are factored into the remuneration accrued and a balance is achieved between the fixed and variable remuneration components, what measures have been taken in relation to categories of employees that perform professional activities with material repercussions on the entity's risk profile and what measures have been taken aimed at preventing conflicts of interest, where applicable.

Actions taken by the Company in relation to the remuneration system and how they have helped to reduce exposure to excessive risks and to adapt it to the Company's long-term goals, values and interests:

On the one hand, the main aim of the Company's Remuneration Policy is to create value for the Group in a sustained manner over time and to fulfil the Company's strategy, thereby allowing us to attract, retain and motivate the very best professionals. In this respect, the remuneration of all Directors is based on the principles of sufficiency, competitiveness, commitment, reasonableness, proportionality, good governance, performance and equality.

On the other hand, in addition to a fixed remuneration, the Directors' remuneration also includes:

- Annual variable remuneration. Both the financial and non-financial elements of the annual variable remuneration are linked to the value of the Group and, being recurring, also avoid excessive risk-taking.
- Pluriannual variable remuneration. The aim of the pluriannual variable remuneration is to create value in the long term, strengthen the retention and motivation of Directors and align their interests with the Company's interests as defined at any given time in the Group's Strategic Plan. This also indirectly aligns the Directors' interests with the interests of our shareholders in terms of contributing to the generation of value for shareholders. As it is a long-term target, risk taking is reduced.

Measures taken in relation to those categories of employees that perform professional activities with potential material repercussions on the entity's risk profile:

The annual and pluriannual variable remuneration systems are based on strictly objective criteria, the components of which are sufficiently flexible to allow their adjustment according to the degree of achievement of the objectives set, even without accrual of variable remuneration in the event that the Company's

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objectives have not been achieved in a minimum percentage, and variable remuneration is therefore not guaranteed.

All of the targets set for Executive Directors and Top Management, as well as their levels of achievement, are proposed by the Nomination and Compensation Committee and approved by the Board of Directors. The corresponding payments are not made until the Group's Consolidated Financial Statements have been audited and approved by the Company's General Shareholders' Meeting.

In addition, Executive Director contracts include a claw-back clause that allows the Company to claim reimbursement of the variable remuneration components if it is found that the settlement and payment thereof was fully or partially based on false or inaccurate information or if risks or other circumstances arise that the Company has neither foreseen nor accounted for and which have a material negative effect on the income statement.

B.3 Explain how the remuneration accrued and consolidated in the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the long-term and sustainable performance of the company.

Also report on the relationship between the remuneration received by directors and the entity's profits or other short- and long-term means of gauging performance, by explaining, where appropriate, how changes in the company's performance may have affected variations in director remuneration, including that accrued but where payment has been deferred, and how they contribute to the short- and long-term profit and loss of the company.

The Nomination and Compensation Committee, in its meeting on 18 December 2023, verified and confirmed the compliance of the Remuneration Policy applied in 2023.

As regards the remuneration of Directors for their status as such, the following amounts were verified for financial year 2023, as agreed by the Board of Directors' meeting held on 19 December 2022. It was also verified that these amounts did not exceed the maximum annual amount of 1,200,000 euros as defined in the Remuneration Policy in effect at that time. The aggregate amounts for all Directors for their status as such that have been accrued and paid in financial year 2023 are as follows:

- Fixed remuneration for Board of Directors membership: 935,000 euros.
- Fixed remuneration for committee membership: 200,000 euros.
- Fixed remuneration for chairing a committee: 60,000 euros.

There are no other remuneration items or social benefits for the Directors for their status as such.

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The remuneration obtained by Directors for their status as such is not linked to the achievement of results or other measures of performance.

Similarly, with respect to the fixed remuneration of directors with executive duties, the Nomination and Compensation Committee, in a meeting held on 18 December 2023, concluded that it complied with the Remuneration Policy and the resolutions agreed upon for financial year 2023 by the Board of Directors, as proposed by the Nomination and Compensation Committee, in its meeting of 19 December 2022.

The amount and nature of the fixed components of the remuneration of the Executive Directors that were accrued in 2023 were as follows:

- Fixed remuneration of the Executive Chairman of the Board of Directors: 749,700 euros.
- Fixed remuneration Executive Director: 315,000 euros.

The fixed remuneration earned by the Directors for their executive duties is not linked to the achievement of results or other performance measures.

As regards the Executive Chairman's annual variable remuneration, it is based on financial and non-financial parameters. As regards the financial parameters, any variation in the Company's performance has a direct impact on this remuneration. As regards the non-financial parameters, the annual variable remuneration is linked to the degree of fulfilment of two strategic projects for the Group. Firstly, the Company's transformation project, which is known as ATENEA. This project is based on a range of initiatives with a global impact across the organisation. It has led to improvements in the efficiency and effectiveness of processes and systems and the organisation and culture of the Company, ensuring, in the broadest sense, the Company's long-term sustainability. Secondly, the ESG Strategic Plan 2025, which is based on a series of initiatives with a 3-year time horizon and aims to create value for the Group in a sustained manner over time, to improve competitiveness and to mitigate risks with the ultimate aim of aligning the interests of the Group with those of society in general and with the different stakeholders in particular.

Furthermore, during its meeting held on 27 February 2024, the Nomination and Compensation Committee verified the degree of compliance with the variable

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remuneration component of Executive Director, as for financial year 2023, well as the outcome of such component. This was subsequently approved by the Board of Directors at its meeting on the same date. In this respect, for the Executive Chairman, the percentage of achievement of the objectives for financial year 2023 was 91.8%. As such, the Executive Chairman will receive 294,953 euros for this component once the Consolidated Financial Statements for financial year 2023 have been audited by the Company's external auditor and, if applicable, approved by the Company's General Shareholders' Meeting to be held in 2024.

The total achievement rate is the result of applying the following calculations:

(Financial components 75% \*Achievement rate 93.1%) + (Non-financial component 25% \*Achievement rate 88.0%)

- B.4 Report on the outcome of the advisory vote by the general meeting regarding the annual report on remuneration from the previous year, indicating the number of votes against that were issued, if any.

	Number	% of total
Votes cast	509,370,651	88.51

	Number	% of votes cast
Votes against	8,195,252	1.61
Votes in favour	501,025,099	98.36
Blank votes	0	0
Abstentions	150,300	0.03

Observations
It is noted for the record that no intervention was made by any shareholder with regard to agenda item 6 at the Ordinary General Shareholders' Meeting held on 09 May 2023, regarding the advisory vote on the Directors' Remuneration Annual Report 2022.

- B.5 Explain how the fixed components accrued and consolidated during the year by directors for their status as such, the relative proportion for each director and how they varied compared with the previous year have been determined:

The remuneration of Directors for their status as such exclusively consists of fixed remuneration for belonging to the Board of Directors and for belonging to and/or chairing any of its committees, as established in the Remuneration Policy. No other fixed or variable component is included in the remuneration of Directors

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for their status as such. Said remuneration was set for financial year 2023 by the Board of Directors at its meeting on 19 December 2022, at the proposal of the Nomination and Compensation Committee, as explained in section B.1.

The relative proportion of each Director's fixed remuneration for the year 2023 and the 2022 is set out below:

Name	Relative weight 2023	Relative weight 2022
MR ALBERTO RODRÍGUEZ-FRAILE DÍAZ	10.5%	10.2%
Ms ANA GARCÍA FAU	10.5%	10.2%
MR CÉSAR CERNUDA REGO	10.5%	10.2%
MR PEDRO SAINZ DE BARANDA	8.8%	8.8%
MR JAVIER RODRÍGUEZ PELLITERO	8.8%	8.8%
Ms CONCEPCIÓN RIVERO BERMEJO	8.8%	8.8%
MR GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	8.8%	8.8%
MR NORIMICHI HATAYAMA	7.1%	7.4%
MR JUAN MARÍA RIBERAS MERA	8.8%	8.8%
Ms LORETO ORDÓÑEZ SOLÍS	8.8%	8.8%
Ms CHISATO EIKI	8.8%	8.8%
<b>Total</b>	100.0%	100.0%

The changes compared to 2022 are due to the increase in remuneration for directors in their capacity as such for membership of the Board, membership of the Committees and chairmanship of the Committees, as explained in section B.1.1 of this report.

The remuneration of each Director for their status as such during financial year 2023 was based on the following duties:

- Mr Alberto Rodríguez-Fraile Díaz was remunerated as a member of the Board of Directors for his membership and chairmanship of the Nomination and Compensation Committee.
- Ms Ana García Fau was remunerated as a member of the Board of Directors for her membership and chairmanship of the Audit Committee.

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- Mr César Cernuda Rego was remunerated as a member of the Board of Directors, as well as for his membership and chairmanship of the Sustainability Committee.
- Mr Pedro Sainz de Baranda was remunerated as a member of the Board of Directors and for his membership of the Nomination and Compensation Committee.
- Mr Javier Rodríguez Pellitero was remunerated as a member of the Board of Directors and for his membership of the Audit Committee.
- Ms Concepción Rivero Bermejo was remunerated as a member of the Board of Directors and for her membership of the Sustainability Committee.
- Mr Gonzalo Urquijo Fernández de Aroz was remunerated as a member of the Board of Directors and for his membership of the Nomination and Compensation Committee.
- Mr Norimichi Hatayama was remunerated exclusively as a member of the Board of Directors.
- Mr Juan María Riberas Mera was remunerated as a member of the Board of Directors and for his membership of the Audit Committee.
- Ms Loreto Ordóñez Solís was remunerated as a member of the Board of Directors and as a member of the Sustainability Committee.
- Ms Chisato Eiki was remunerated as a member of the Board and for her membership of the Sustainability Committee.

B.6 Explain how the salaries accrued and consolidated during the previous year by each of the executive directors for the performance of their managerial roles were determined and how they varied with regards to the previous year.

The remuneration of Executive Directors for financial year 2023 was established by the Board of Directors in its meeting held on 19 December 2022, on proposal of the Nomination and Compensation Committee. The following amounts were agreed at this meeting:

**Executive Chairman:** a 5% increase was agreed to the fixed and variable remuneration applied in 2022:

- Annual fixed remuneration: 749,700 euros (having been 714,000 euros/year in 2022).
- Annual variable remuneration: 321,300 euros (having been 300,000 euros/year in 2022).

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**Executive Director:** a 5% increase was agreed to the fixed remuneration applied in 2022:

- Annual fixed remuneration: 315,000 euros per year (having been 300,000 euros/year in 2022).
- Pluriannual variable remuneration: There was no change in the amount of pluriannual variable remuneration, remaining at 3,000,000 euros for a 100% performance rate.

B.7 Explain the nature and main features of the variable components of the remuneration systems accrued and consolidated in the previous financial year.

In particular:

- a) Identify each of the remuneration schemes that determined the different variable remunerations accrued by each of the directors during the previous year, including information on their scope, date of approval, date of implementation, consolidation conditions, accrual periods and validity, criteria used to assess performance and how this has impacted on determining the variable amount accrued, as well as the measurement criteria used and the period required to be able to adequately measure all of the conditions and criteria stipulated, explaining in detail the criteria and factors applied in relation to the time required and the methods to verify whether performance or other conditions related to the accrual and consolidation of each variation remuneration component have been met effectively.
- b) In the case of schemes involving share options or other financial instruments, the scheme's general features shall include information on the conditions for both acquiring unconditional ownership (consolidation) and for exercising these options or financial instruments, including the price and term for exercising them.
- c) All directors, and their status (Executive Directors, External Proprietary Directors, Independent External Directors or other External Directors), who are beneficiaries of remuneration systems or schemes involving variable remuneration.
- d) Where applicable, report on the terms established for accrual, consolidation or deferment of consolidated amount payments applied and/or the withholding/non-disposal periods concerning shares or other financial instruments, should they exist.

**Explain the short-term variable components of the remuneration systems**

As set forth in the Remuneration Policy, it is only the remuneration of Directors with executive duties that includes items of a variable nature.

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

The Nomination and Compensation Committee assesses the achievement of goals to determine the variable amounts to be paid to Directors with executive duties. Once the amount is determined, it is approved by the Board of Directors. As both the annual variable remuneration and the pluriannual variable remuneration are variable remuneration systems linked to the achievement of quantifiable financial and economic goals that are included in the Group's Consolidated Financial Statements, their consolidation and payment is deferred until the external audit and approval thereof by the General Shareholders' Meeting.

The annual variable remuneration applicable to the Executive Chairman, Mr Francisco José Riberas Mera, for the financial year 2023 contains financial parameters, with a relative weight of 75% of the total annual variable remuneration and non-financial parameters with a relative weight of 25%.

The financial instruments are linked to the fulfilment of two economic and financial goals with different levels of weighting: 60% linked to consolidated EBITDA and 40% linked to free cash flow, as set out in the annual budget. The degree of fulfilment of said goals is calculated by comparing the actual value attained during the year with the target value defined in the annual budget.

The non-financial parameters are linked to the achievement of two targets with an equal weighting of 12.5%. These parameters consist of:

- on the one hand, the performance of the Company's strategic transformation programme, which is known as ATENEA and was launched in 2021. Regular presentations are given to the Board of Directors to review the degree of achievement and progress of this programme. The ATENEA programme, with a global scope and a time horizon of several years, will make it possible, through different initiatives with an impact on the entire organisation, to improve the efficiency and effectiveness of processes and systems, as well as the



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organisation and culture of the Company, ensuring, in a broad sense, the Company's long-term sustainability. The degree of fulfilment of the targets set for each of the initiatives that make up the programme is calculated based on the rate of progress or achievement of the assumed commitments for the reference year as determined by the Management Committee.

- on the other hand, the compliance with the ESG Strategic Plan 2025, which was approved by the Board of Directors on 19 December 2022 following its proposal by the Sustainability Committee. This plan aims, through a series of initiatives with a 3-year time horizon, to create value for the Group in a sustained manner over time, to improve competitiveness and to mitigate risks with the ultimate aim of aligning the interests of the Group with those of society in general and with the different stakeholders in particular. Its degree of achievement is calculated by the Group's Sustainability Committee and then validated by the Sustainability Committee.

The amount of overall annual variable remuneration is calculated by taking the target variable remuneration as the basis and applying a percentage to the amount based on the degree of fulfilment of each goal established and its relative weight. The payout curve has a minimum threshold of 70% and a maximum threshold of 120% for each of the defined objectives. If the result achieved is less than 70%, no amount will be paid for the target in question. If the result achieved is between the minimum (70%) and maximum (120%) thresholds, an amount will be paid that varies according to the percentage achieved. Beyond the maximum 120% threshold, 120% remuneration will be given regardless of the resulting figure.

The target amount of the Executive Chairman's annual variable remuneration in 2023 is 321,300 euros per annum, assuming a performance percentage of 100%, as determined by the Board of Directors at its meeting on 19 December 2022, on the proposal of the Nomination and Compensation Committee.

Furthermore, during its meeting held on 27 February 2024, the Nomination and Compensation Committee verified the degree of compliance with the variable remuneration component of the Executive Chairman, as for financial year 2023, well as the outcome of such component. This was subsequently approved by

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the Board of Directors at its meeting on the same date. In this respect, the percentage of achievement of the objectives for financial year 2023 was 91.8%. Thus, the Executive Chairman will receive 294,953 euros for this concept once the Consolidated Annual Accounts for the financial year 2023 are audited by the Company's external auditor and, if applicable, approved by the General Shareholders' Meeting of the Company to be held in 2024.

The total achievement rate is the result of applying the following calculations:

(Financial components 75% \*Achievement rate 93.1%) +(Non-financial component 25% \*Achievement rate 88.0%)

#### **Explain the long-term variable components of the remuneration systems**

The aim of the 2022 Long-Term Incentive Plan was to create value in the Group during the reference period. It was approved by the Board of Directors, at the proposal of the Nomination and Compensation Committee, in a meeting held on 29 October 2020, and the Executive Director Mr Francisco López Peña was a beneficiary of the Plan (along with other Company Directors). The Plan is linked to the fulfilment of a strictly economic/financial target. The corresponding settlements and payments were made in May of 2023, through receipt of a cash sum, after verification that the financial target to which the Plan was linked had been achieved, following the external audit without qualifications and approval by the General Shareholders' Meeting of the 2022 Consolidated Financial Statements.

For the purposes of settlement and payment of the Long-Term Incentive Plan 2022, the creation of value was determined as a multiple of consolidated EBITDA less Net Debt. The payment curve had a minimum threshold of 70% and a maximum threshold of 120%. If the result achieved was less than 70%, no amount was paid for the target in question. If the result achieved was between the minimum (70%) and maximum (120%) thresholds, an amount was paid that varied according to the percentage achieved. Beyond the maximum 120% threshold, remuneration was capped at the 120% rate, regardless of the resulting figure.

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As such, the amount of pluriannual variable remuneration received by the Executive Director Mr Francisco López Peña as a result of the Plan and after the settlement thereof was 3,150,000 euros for a performance rate of 105% since the level of achievement was 105%. Although, as indicated, the settled amount under the 2022 Plan has been paid in full in 2023, which includes the long-term remuneration from 2016, that is a total of 7 years, and therefore resulting an annual amount of 450,000 euros.

- B.8 Indicate whether certain accrued variable components have been reduced or claimed back when, in the first case, payment of unconsolidated amounts has been deferred or, in the second case, consolidated and paid, on the basis of data whose inaccuracy has subsequently been manifestly demonstrated. Describe the amounts reduced or refunded by applying the malus or claw-back clauses, why they were executed, and the years to which they relate.

As established in the Remuneration Policy, the contracts signed between the Company and the Executive Directors include a claw-back clause. However, to date there has been no reduction or claim for the return of variable components, as no cases for the application of the claw-back clause have arisen (it has not been shown that the settlement and payment of these variable components has taken place totally or partially on the basis of false or inaccurate information, nor have risks or other circumstances not foreseen or undertaken by the Company arisen, which have a material negative effect on the income statements).

- B.9 Explain the main features of the long-term savings systems whose sum or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefits, partially or wholly funded by the company, whether provided internally or externally, indicating the type of scheme, whether it is a defined contribution or defined benefit scheme, the contingencies it covers, the consolidation conditions of the financial rights to which Directors are entitled and their compatibility with any type of compensation for early dissolution or termination of the contractual relationship between the company and the Director.

The applicable Remuneration Policy does not provide for long-term savings systems for Directors for their status as such or for Directors with executive duties.

- B.10 Explain, where applicable, the compensation or any other type of payment arising from early termination, whether at the will of the company or of the director, or from the termination of the contract, under the terms provided therein, accrued and/or received by the directors in the previous financial year.

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During 2023 financial year, there has been no payment or compensation for normal or early termination, or arising from the normal or early termination of a contractual relationship in relation to any of the members of the Board of Directors.

- B.11 State whether there have been any significant changes in the contracts of those performing senior management duties as executive directors and, where applicable, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless they have been explained in section A.1.

During the financial year 2023, there were no changes to the contracts of those holding senior management positions as Executive Directors. In addition, the main terms of the contract signed with the Executive Chairman have been explained in section A.1.

- B.12 Explain any supplementary remuneration accrued by the directors in compensation for services rendered other than those inherent to their position.

The applicable Remuneration Policy does not provide for any kind of supplementary remuneration.

- B.13 State any remuneration arising from advances, loans and guarantees granted, indicating the interest rate, essential features and amounts potentially repaid, as well as the obligations undertaken on account thereof in relation to guarantees.

The Remuneration Policy does not include any remuneration arising from Directors being granted any type of loan, advance or guarantee.

In 2016, prior to the approval of the aforementioned Policy, the Company offered certain key executives for the Group, including the Managing Director, Mr Francisco López Peña, the possibility of purchasing Company shares at market price. For this purpose, the Company offered these Executives (among them, Mr Francisco López Peña) a loan at the legal monetary interest rate, and consequently, this loan is not considered for any purpose to be part of the remuneration of the Executives benefiting from it.

- B.14 Set out the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the different salary components.

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The Remuneration Policy does not provide for any remuneration in kind for Directors for their status as such.

With regard to Executive Directors, Mr Francisco López Peña had a company vehicle and life insurance during 2023, in accordance with the policy established for employees who are part of the Group's corporate services and in accordance with the provisions of the Remuneration Policy. The amounts accrued are as follows:

- Life insurance premiums amounting 6,093 euros/year.
- Company car amounting 6,247 euros/year.

With respect to the Executive Chairman of the Board of Directors, the Remuneration Policy does not provide for any remuneration in kind.

- B.15 State the remuneration accrued by the director pursuant to payments made by the listed company to a third-party entity in which the director provides services, when said payments are intended to compensate such party's services at the company.

On 23 December 2016, the Company's significant shareholder, Acek Desarrollo y Gestión Industrial, S.L., signed an agreement with Mitsui & Co., Ltd, among others. This agreement, reported to the CNMV as a Significant Event dated 7 April 2017 (Record No 250532), includes, among other matters, the right of Mitsui & Co., Ltd., to propose the appointment of two Directors to the Company's Board of Directors.

The remuneration accrued by members of the Board of Directors who were appointed by the General Shareholders' Meeting at the proposal of Acek Desarrollo y Gestión Industrial, S.L. in fulfilment of the above-mentioned shareholders' agreement—namely, Mr Norimichi Hatayama and Ms Chisato Eiki (appointed on 02 April 2020 and 01 April 2021, respectively)—came to a total of 190,000 euros during financial year 2023. This remuneration was paid, at the express request of said proprietary Directors, to an account held by Mitsui & Co., Ltd.

- B.16 Explain and detail the amounts accrued during the year in relation to any other remuneration item other than those listed above, regardless of its nature or the group entity paying it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true and fair view of the total remuneration accrued by the director; explaining the amount granted or pending payment, the nature of the consideration received and the reasons why it would have been considered, where appropriate, that it does not constitute remuneration to the director in his/her status as such or in consideration for the performance of his/her executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued in the "other items" section of section C.

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As of the reporting date, there are no remuneration items other than those indicated above for the Company's Directors that were accrued during 2023.

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**C DETAILED INFORMATION ON THE INDIVIDUAL REMUNERATION RELATING TO EACH OF THE DIRECTORS**

Name	Type	Accrual period: t financial year
MR FRANCISCO JOSÉ RIBERAS MERA	Executive	From 01/01/2023 to 31/12/2023
MR FRANCISCO LÓPEZ PEÑA	Executive	From 01/01/2023 to 31/12/2023
MR ALBERTO RODRÍGUEZ-FRAILE DÍAZ	Independent	From 01/01/2023 to 31/12/2023
Ms ANA GARCÍA FAU	Independent	From 01/01/2023 to 31/12/2023
MR CÉSAR CERNUDA REGO	Independent	From 01/01/2023 to 31/12/2023
MR PEDRO SAINZ DE BARANDA	Independent	From 01/01/2023 to 31/12/2023
MR JAVIER RODRÍGUEZ PELLITERO	Independent	From 01/01/2023 to 31/12/2023
Ms CONCEPCIÓN RIVERO BERMEJO	Independent	From 01/01/2023 to 31/12/2023
MR GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	Other External Directors	From 01/01/2023 to 31/12/2023
MR NORIMICHI HATAYAMA	Proprietary	From 01/01/2023 to 31/12/2023
MR JUAN MARÍA RIBERAS MERA	Proprietary	From 01/01/2023 to 31/12/2023
Ms LORETO ORDÓÑEZ SOLÍS	Independent	From 01/01/2023 to 31/12/2023
Ms CHISATO EIKI	Proprietary	From 01/01/2023 to 31/12/2023

C.1 Complete the following tables on the itemised remuneration for each of the directors (including remuneration for performing executive duties) accruing during the year.

a) Remuneration from the company issuing this report:

i) Remuneration accrued in cash (in thousands of €)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salaries	Short-term variable remuneration	Long-term variable remuneration	Severance payments	Other items	Total year 2023	Total 2022
MR FRANCISCO JOSÉ RIBERAS MERA	-	-	-	750	295	-	-	-	1,045	1,046
MR FRANCISCO LÓPEZ PEÑA	-	-	-	315	-	3,150	-	12	3,477	312
MR ALBERTO RODRÍGUEZ-FRAILE DÍAZ	85	-	40	-	-	-	-	-	125	110
Ms ANA GARCÍA FAU	85	-	40	-	-	-	-	-	125	110
MR CÉSAR CERNUDA REGO	85	-	40	-	-	-	-	-	125	110

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MR PEDRO SAINZ DE BARANDA	85	-	20	-	-	-	-	-	105	95
MR JAVIER RODRÍGUEZ PELLITERO	85	-	20	-	-	-	-	-	105	95
Ms CONCEPCIÓN DEL RIVERO BERMEJO	85	-	20	-	-	-	-	-	105	95
MR GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	85	-	20	-	-	-	-	-	105	95
MR NORIMICHI HATAYAMA	85	-	-	-	-	-	-	-	85	80
MR JUAN MARÍA RIBERAS MERA	85	-	20	-	-	-	-	-	105	95
Ms LORETO ORDÓÑEZ SOLÍS	85	-	20	-	-	-	-	-	105	95
Ms CHISATO EIKI	85	-	20	-	-	-	-	-	105	95

#### Observations

Both the level of achievement and the amount of the 2022 Long-Term Incentive of the Executive Director Mr. Francisco López Peña were verified by the Nomination and Compensation Committee, and approved by the Board of Directors in its meetings held the 27 of February of 2023. The amount settled was deferred until May 2023, after the formulation, the external audit without qualifications and the approval of the Annual Accounts of the Group corresponding to the financial year 2022, as explained in section B.7 of this document. The amount settled of the 2022 Long-Term Incentive Plan has been 3,150,000 euros since the degree of achievement has been 105%. Although, as indicated, the amount settled under the 2022 Long-Term Incentive Plan has been paid in full in 2023, which includes long-term remuneration since 2016, that is, a total of 7 years, so the annual amount resulting from said remuneration is 450,000 euros.

#### ii) Table showing activity in share-based remuneration systems and gross profit from consolidated shares or financial instruments

Name	Name of the Plan	Financial instruments at beginning of year t		Financial Instruments granted during year t		Financial instruments consolidated during the year				Mature instruments not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. Equivalent / Vested shares	Vested share price	Gross profit on vested shares or financial instruments (thousands €)	No. Instruments	No. of instruments	No. of equivalent shares
Director 1	Scheme 1											
	Scheme 2											



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Observations

**iii) Long-term savings systems**

	Remuneration for vesting to savings schemes
Director 1	

Name	Company's contribution for the year (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Financial Year t-1	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
	Director 1							

Observations

**iv) Details of other items**

Name	Item	Remuneration amount
Director 1		

Observations

**b) Remuneration paid to directors of the listed company for their membership of the governing bodies of its subsidiaries:**

**i) Remuneration accrued in cash (in thousands of €)**

Name	Fixed remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance payments	Other items	Total year 2021	Total year 2020
MR FRANCISCO JOSÉ	0	0	0	0	0	0	0	0	0	0

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RIBERAS MERA										
MR FRANCISCO LÓPEZ PEÑA	0	0	0	0	0	0	0	0	0	0
MR ALBERTO RODRÍGUEZ -FRAILE DÍAZ	0	0	0	0	0	0	0	0	0	0
Ms ANA GARCÍA FAU	0	0	0	0	0	0	0	0	0	0
MR CÉSAR CERNUDA REGO	0	0	0	0	0	0	0	0	0	0
MR PEDRO SAINZ DE BARANDA	0	0	0	0	0	0	0	0	0	0
MR JAVIER RODRÍGUEZ PELLITERO	0	0	0	0	0	0	0	0	0	0
Ms CONCEPCIÓN DEL RIVERO BERMEJO	0	0	0	0	0	0	0	0	0	0
MR GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	0	0	0	0	0	0	0	0	0	0
MR NORIMICHI HATAYAMA	0	0	0	0	0	0	0	0	0	0
MR JUAN MARÍA RIBERAS MERA	0	0	0	0	0	0	0	0	0	0
MR TOMOFUMI OSAKI	0	0	0	0	0	0	0	0	0	0
Ms LORETO ORDÓÑEZ SOLÍS	0	0	0	0	0	0	0	0	0	0
Ms CHISATO EIKI	0	0	0	0	0	0	0	0	0	0

<b>Observations</b>
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**ii) Table showing activity in share-based remuneration systems and gross profit from consolidated shares or financial instruments**

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Name	Name of the Plan	Financial instruments at beginning of year t		Financial Instruments granted during year t		Financial instruments consolidated during the year				Mature instruments not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. equivalent / vested shares	Vested share price	Gross profit on vested shares or financial instruments (thousands €)	No. Instruments	No. instrument	No. of equivalent shares
Director 1	Scheme 1											
	Scheme 2											

Observations

### iii) Long-term savings systems

	Remuneration for consolidation of rights in savings systems
Director 1	

Name	Company's contribution for the year (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Year t		Year t-1	
	Year t	Year t-1	Year t	Financial Year t-1	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
	Director 1							

Observations

### iv) Details of other items

Name	Item	Remuneration amount
Director 1		

Observations

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**c) Summary of remuneration (in thousands of €):**

The summary shall include the relevant amounts for all the remuneration items included herein that the director has accrued, in thousands of euros.

Name	Remuneration accrued at the Company					Remuneration accrued at group companies					2022 total company + group
	Total cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total year company	Total cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other items	2023 total group	
MR FRANCISCO JOSÉ RIBERAS MERA	1,045	-	-	-	1,045	-	-	-	-	-	0
MR FRANCISCO LÓPEZ PEÑA	3,477	-	-	-	3,477	-	-	-	-	-	0
MR ALBERTO RODRÍGUEZ-FRAILE DÍAZ	125	-	-	-	125	-	-	-	-	-	0
Ms ANA GARCÍA FAU	125	-	-	-	125	-	-	-	-	-	0
MR CÉSAR CERNUDA REGO	125	-	-	-	125	-	-	-	-	-	0
MR PEDRO SAINZ DE BARANDA	105	-	-	-	105	-	-	-	-	-	0
MR JAVIER RODRÍGUEZ PELLITERO	105	-	-	-	105	-	-	-	-	-	0
Ms CONCEPCIÓN DEL RIVERO BERMEJO	105	-	-	-	105	-	-	-	-	-	0
MR GONZALO URQUIJO	105	-	-	-	105	-	-	-	-	-	0

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FERNÁN DEZ DE ARAOZ											
MR NORIMI CHI HATAYA MA	85	-	-	-	85	-	-	-	-	-	0
MR JUAN MARÍA RIBERA S MERA	105	-	-	-	105	-	-	-	-	-	0
MR LORETO ORDÓN EZ SOLÍS	105	-	-	-	105	-	-	-	-	-	0
MS CHISAT O EIKI	105	-	-	-	105	-	-	-	-	-	0
<b>Total</b>	5,717	-	-	-	5,717	-	-	-	-	-	0

<b>Observations</b>

C.2 Indicate the changes over the last five years in the amount and percentage change in the

remuneration earned by each of the listed company's directors during the year, in the consolidated results of the company and in the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

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	Total amounts accrued and % annual variation								
	2023	% 2023/2022 variation	2022	% 2022/2021 variation	2021	% 2021/2020 variation	2020	% 2020/2019 variation	2019
<b>Executive directors</b>									
MR FRANCISCO JOSÉ RIBERAS MERA	1045	3%	1046	2%	1026	77.20%	579	-41%	974
MR FRANCISCO LÓPEZ PEÑA	3477	1013%	312	-1%	317	-56%	724	-9%	793
<b>External Directors</b>									
MR ALBERTO RODRÍGUEZ-FRAILE DÍAZ	125	14%	110	0%	110	17%	94	-15%	110
Ms ANA GARCÍA FAU	125	14%	110	3%	107	32%	81	-15%	95
MR CÉSAR CERNUDA REGO	125	14%	110	13%	97	43%	68	-15%	80
MR PEDRO SAINZ DE BARANDA	105	11%	95	0%	95	17%	81	-15%	95
MR JAVIER RODRÍGUEZ PELLITERO	105	11%	95	-4%	99	5%	94	-15%	110
Ms CONCEPCIÓN DEL RIVERO BERMEJO	105	11%	95	7%	89	31%	68	100%	34
MR GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	105	11%	95	0%	95	17%	81	-15%	95
MR NORIMICHI HATAYAMA	85	6%	80	0%	80	57%	51	-	-
MR JUAN MARÍA RIBERAS MERA	105	11%	95	0%	95	17%	81	-15%	95
MR LORETO ORDÓÑEZ SOLÍS	105	11%	95	56%	61	-	0	-	0
MS CHISATO EIKI	105	11%	95	38%	69	-	0	-	0
<b>Consolidated results of the company (K EUROS)</b>	<b>414,184</b>	<b>6%</b>	<b>391,455</b>	<b>41%</b>	<b>277,712</b>	<b>-267%</b>	<b>-166,545</b>	<b>-150%</b>	<b>334,082</b>
<b>Average employee remuneration</b>	<b>32.5</b>	<b>5%</b>	<b>31.1</b>	<b>8%</b>	<b>28.7</b>	<b>-3%</b>	<b>29.7</b>	<b>-3%</b>	<b>30.7</b>

Observations

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**Note 1: Change in amounts between 2022 and 2023:** The change in remuneration between 2022 and 2023 is due to a Board of Directors' resolution dated 19 December 2022, following a proposal from the Nomination and Compensation Committee, which agreed an increase in the remuneration of directors in their capacity as such for membership of the Board of Directors and membership and chairmanship of the Committees, as referred to in section B of this report, and which corresponds to the following duties:

- Mr Alberto Rodríguez-Fraile Díaz was remunerated as a member of the Board of Directors for his membership of the Nomination and Compensation Committee and his chairing of it.
- Ms Ana García Fau was remunerated as a member of the Board of Directors, member of the Audit Committee and chair of the Audit Committee.
- Mr César Cernuda Rego was remunerated as a member of the Board of Directors, member of the Sustainability Committee and chair of the Sustainability Committee.
- Mr Pedro Sainz De Baranda was remunerated as a member of the Board of Directors and for his membership of the Nomination and Compensation Committee.
- Mr Javier Rodríguez Pellitero was remunerated as a member of the Board of Directors, for his membership of the Audit Committee.
- Ms Concepción Rivero Bermejo was remunerated as a member of the Board of Directors and for her membership of the Sustainability Committee.
- Mr Gonzalo Urquijo Fernández de Araoz was remunerated as a member of the Board of Directors and member of the Nomination and Compensation Committee.
- Mr Norimichi Hatayama was remunerated exclusively as a member of the Board of Directors.
- Mr Juan María Riberas Mera was remunerated as a member of the Board of Directors and for his membership of the Audit Committee.
- Ms Loreto Ordóñez Solís was remunerated as a member of the Board of Directors and as a member of the Sustainability Committee.
- Ms Chisato Eiki was remunerated as a member of the Board of Directors and a member of the Sustainability Committee.

**Note 2: Other information:** For average employee remuneration, information has been taken from the Group's Consolidated Financial Statements for Salaries plus Employee Benefits.

Note 3: Mr. Francisco López Peña pluriannual variable remuneration: Both the level of achievement and the amount of the 2022 Long-Term Incentive of the Executive Director Mr. Francisco López Peña were verified by the Nomination and Compensation Committee, and approved by the Board of Directors in its meetings held the 27 of February of 2023. The amount settled was deferred until May 2023, after the formulation, the external audit without qualifications and the approval of the Annual Accounts of the Group corresponding to the financial year 2022, as explained in section B.7 of this document. The amount settled of the 2022 Long-Term Incentive Plan has been 3,150,000 euros since the degree of achievement has been 105%. Although, as indicated, the amount settled under the 2022 Long-Term Incentive Plan has been paid in full in 2023, which includes long-term remuneration since 2016, that is, a total of 7 years, so the annual amount resulting from said remuneration is 450,000 euros.

## **D OTHER INFORMATION OF INTEREST**

If there are any relevant issues related to director remuneration that are not contained in the previous sections of this report, but which must be included in order to present fuller and more detailed information about the company's remuneration structure and practices in relation to its Directors, explain them here briefly.

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This annual report on remuneration was approved by the Company's Board of Directors at its meeting held on 27 February 2023.

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State whether any directors voted against or abstained in relation to the approval of this Report.

Yes

No

<b>Name or registered company name of the member(s) of the board of directors who did not vote in favour of approving this report</b>	<b>Reasons (opposed, abstained, absent)</b>	<b>Explain the reasons</b>



