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# Activities Report for 2021

## Nomination and Compensation Committee

Gestamp Automoción, S.A.

28/02/22

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## 1. Introduction

The Nomination and Compensation Committee of Gestamp Automoción, S.A. (the “**Company**”) has prepared this activities report (the “**Report**”) that sets out the main activities undertaken by the Committee during financial year 2021.

This report was prepared pursuant to Article 39 (j) of the Company’s Board of Directors Regulations and in compliance with the recommendations of the Good Governance Code for Listed Companies approved by the National Securities Market Commission (CNMV) on 26 June 2020 (“**the Good Governance Code**”) and with the criteria of the Technical Guide 1/2019 on Nomination and Compensation Committees published by the CNMV (the “**Technical Guide 1/2019**”) and it shall be made available to the Company's shareholders when the 2022 Ordinary General Shareholders’ Meeting is called.

## 2. Regulations

The Nomination and Compensation Committee Regulations are set out in the Board of Directors Regulations, which were approved by said Board on 29 March 2021. Furthermore, the Nomination and Compensation Committee is governed by the provisions under the Spanish Companies Act, the recommendations of the Good Governance Code and the criteria of the Technical Guide 1/2019.

## 3. Structure

Pursuant to the provisions of Article 21 of the Company's Articles of Association and Article 39 of the Company's Board of Directors Regulations, the Nomination and Compensation Committee must abide by the following:

- (a) Have at least three and at most five members appointed based on their knowledge, skills and experience, as well as the duties to be performed by the Committee.
- (b) The majority of members shall have the status of Independent Director, among them, its Chairman.
- (c) The Chairman shall be elected from among the Independent Directors. In turn, the Secretary of the Nomination and Compensation Committee shall be the Secretary of the Board of Directors.

As of 31 December 2021, the Nomination and Compensation Committee has the following members:

Members	Position	Date of last appointment Appointment	Category
Mr. Alberto Rodríguez-Fraile Díaz	Chairman	06/05/21	Independent
Mr. Gonzalo Urquijo Fernández de Araoz	Member	24/05/21	Other external directors
Mr. Pedro Sainz de Baranda Riva	Member	24/03/17	Independent
Mr. David Vázquez Pascual	Non-member secretary	24/03/17	N/A

Therefore, as of 31 December 2021 and for the entire year 2021, the Company's Nomination and Compensation Committee (i) has been formed by three members, two of whom are Independent Directors and (ii) has been chaired by the Independent Director, Mr. Alberto Rodríguez-Fraile Díaz.

The members of the Nomination and Compensation Committee have the appropriate knowledge, skills and experience to carry out the tasks entrusted to the Committee by the Board.

In terms of establishing the profiles of members of the Nomination and Compensation Committee, the Board of Directors opted for Directors who have knowledge of the economic-financial area and the automotive sector, as well as international experience, and who have participated on other boards of directors in different positions, so that they can provide experience and guide the issues to address within the Committee and the Board of Directors. Mr. Alberto Rodríguez-Fraile Díaz was appointed Chairman of the Nomination and Compensation Committee due to his independent nature and knowledge, as well as previously being a member of other boards and having management experience at international companies. Mr. Gonzalo Urquijo Fernández de Araoz was also appointed after considering his experience on other boards of directors and his knowledge and management experience at international industrial groups in the steel and automotive sector. Finally, Mr. Pedro Sainz de Baranda Riva was appointed as a member of the Committee due to his extensive experience in managing international companies under different executive positions and his experience on other boards of directors.

For further information on the members of the Nomination and Compensation Committee, see the following links to the Company's website:

- [www.gestamp.com/Accionistas-e-Inversores/Gobierno-Corporativo/Comisiones-del-consejo-de-administracion](http://www.gestamp.com/Accionistas-e-Inversores/Gobierno-Corporativo/Comisiones-del-consejo-de-administracion)
- [www.gestamp.com/Accionistas-e-Inversores/Gobierno-Corporativo/Consejo-de-administracion](http://www.gestamp.com/Accionistas-e-Inversores/Gobierno-Corporativo/Consejo-de-administracion)

## 4. Functions

The Company's Nomination and Compensation Committee is a reporting and advisory body without executive duties that has the power to report, supervise, advise and propose in relation to issues within its scope of activity.

According to article 41 of the Board of Directors Regulations, the Nomination and Compensation Committee shall have the following basic duties:

- (a) Assessing the competencies, knowledge and experience of the Board, describing the duties and required skills of the candidates to fill vacancies, and assessing the time and dedication required for them to perform the assigned tasks.
- (b) To verify compliance with the board member hiring policy each year, and to report on this in the Annual Corporate Governance Report.
- (c) To examine and arrange the procedure for replacing the Chairman of the Board of Directors and, where appropriate, the chief executive, to make this process easily understood, and to make proposals to the Board to ensure that this process takes place in an orderly, well-planned manner.
- (d) Guiding the proposals for appointment and dismissal of Senior Management members that the Chairman submits to the Board and the basic conditions of their contracts.
- (e) To raise proposals for appointments of Independent Directors to the Board of Directors, either for appointment under the co-option system or by submitting the proposal to the General Shareholders' Meeting for a decision, and making proposals for re-election or removal of such Directors by the General Shareholders' Meeting.
- (f) To guide the proposals for appointments of other Directors, either for appointment under the co-option system or by submitting the proposal to the General Shareholders' Meeting for a decision, and making proposals for re-election or removal thereof by the General Shareholders' Meeting.
- (g) Guiding the Board on gender diversity issues, setting representation targets for the under-represented gender on the Board of Directors and creating guidelines for achieving such targets.
- (h) Arranging and coordinating periodic assessments of the Chairman of the Board of Directors and, in conjunction with such person, periodic assessments of the Board of Directors, its Committees, its Secretary and the CEO of the Company.

In addition to the duties indicated above, the Nomination and Compensation Committee must ensure that the remuneration policy for Directors approved by the General Shareholders' Meeting is obeyed and it shall be responsible for making proposals to the Board of Directors in relation to:

- (i) The remuneration policy for Directors and for the parties that carry out senior management duties and under direct supervision of the Board, executive committees or managing directors, ensuring compliance with such policy.
- (ii) The individual remuneration of Directors and approval of the contracts entered into by the Company and its Directors who carry out executive duties, ensuring compliance with such contracts.

(iii) The types of contracts for Senior Management.

The functions described did not change during the year.

## 5. Operation

The basic principles of conduct and the internal operating system of the Nomination and Compensation Committee are set forth in the rules contained in the Spanish Companies Act, the Articles of Association and the Board of Directors Regulations.

Pursuant to the provisions of Article 20 of the Company's Articles of Association and Article 39 of the Company's Board of Directors Regulations, the Nomination and Compensation Committee:

- Shall meet whenever necessary, at the Chairman's discretion, to exercise its powers, and whenever two of its members so request, and it shall be convened in a valid manner whenever the majority of its members are present or represented, its resolutions being adopted by an absolute majority of the attending members. In the event of a tie, the Committee Chairman shall cast the tie-breaking vote.
- Minutes shall be taken of the meetings and a copy thereof shall be sent to all the members of the Board. Similarly, the Chairman of the Nomination and Compensation Committee shall inform the Board of Directors of the issues discussed and the resolutions adopted at its meetings during the first Board of Directors' meeting held after the Committee meeting.
- Within three months after each year-end, it shall submit this report for approval by the Board of Directors, which shall be made available to the shareholders during their Annual General Shareholders' Meeting.
- In order to carry out its functions, it may seek external advice whenever it deems it necessary.

As regards the other rules of operation, the operating system established for the Board of Directors in the Regulations of the Board shall apply.

## 6. Meetings

During financial year 2021, the Appointment and Remunerations Committee met six times and all members of the Committee were in attendance at every meeting.

Furthermore, the Nomination and Compensation Committee met on two occasions with the Company's Human Resources Management to receive advice and to directly address certain matters relating to, among others, the remuneration of Directors and Senior Managers.

## 7. Activities

In 2021, the Nomination and Compensation Committee mainly carried out the following activities:

- **Proposal or report on the removal or appointment of Directors and on the appointment of positions on the Board of Directors.**

The Nomination and Compensation Committee favourably reported the departure of Mr. Tomofumi Osaki as Proprietary Director. As a consequence of said departure, the Nomination and Compensation Committee issued a favourable report on the appointment by co-option by the Board of Directors, and on the ratification and re-election by the 2021 Ordinary General Shareholders' Meeting, of Ms. Chisato Eiki as Proprietary Director, replacing the aforementioned. This report was made available to the Company's shareholders on the occasion of the convening of the General Meeting.

In addition, the Nomination and Compensation Committee has proposed and favourably reported on the appointment by the 2021 General Shareholders' Meeting of a new Independent Director, Ms. Loreto Ordóñez Solís, and therefore the corresponding increase, by one member, in the number of board members.

Similarly, the Nomination and Compensation Committee proposed and favourably reported on the re-election by the 2021 General Shareholders' Meeting of the Independent Directors whose terms of office expired in 2021, namely, Mr. Javier Rodríguez Pellitero, Mr. Alberto Rodríguez-Fraile Díaz, Mr. César Cernuda Rego, Ms. Ana García Fau and Mr. Pedro Sainz de Baranda.

In turn, the Nomination and Compensation Committee favourably reported on the re-election of the non-independent directors at the 2021 General Shareholders' Meeting whose terms of office expire in 2021, namely Mr. Francisco Riberas Mera, Mr. Juan María Riberas Mera, Mr. Francisco López Peña and Mr. Gonzalo Urquijo Fernández de Araoz.

In this regard, the Committee also verified compliance with the Selection Policy of the Board of Directors during financial year 2021 in the context of the aforementioned appointments.

Finally, the Committee favourably reported on the re-election of Mr. Francisco José Riberas Mera as Chief Executive Officer of the Company.

- **Remuneration of Directors and Senior Management.**

The Nomination and Compensation Committee verified the degree of achievement of the 2020 objectives in relation to the variable component of the remuneration of Executive Directors and the Senior Management, as well as the result of said component. Moreover, the Nomination and Compensation Committee approved an objectives proposal for variable remuneration targets for executive directors and senior management corresponding to financial year 2021.

The Committee agreed to propose, for approval by the Board of Directors and, ultimately, by the 2021 Ordinary General Shareholders' Meeting, a new Remuneration Policy for the Board of Directors in order to (i) adapt the principles on which directors' remuneration is based, both in their capacity as such and

for the performance of executive duties, to the amendments to the Good Governance Code; (ii) increase the overall maximum amount of directors' annual remuneration in their capacity as such as a result of the increase in the number of Board members, and also the establishment of the new Sustainability Committee; (iii) with respect to the variable remuneration of directors for the performance of executive duties, to develop the criteria for measuring economic-financial objectives; (iv) also include non-financial criteria in the determination of the annual variable remuneration of directors for the performance of executive duties, such as sustainability from an environmental, social or corporate governance perspective, among others; (v) adapt the wording of the contractual conditions applicable to executive directors to the amendments made to the Code in general and, in particular, to the new conditions of the service agreement regulating the new duties of the Executive Director Mr. Francisco López Peña after he resigned from his position as Chief Executive Officer; and (vi) to make some improvements to the wording. In this sense, the Committee approved the required justification report that accompanied the referred proposal, which was made available to the General Shareholders' Meeting as soon as it was convened.

Furthermore, at the end of the financial year it assessed compliance with the Remuneration Policy for Directors approved at the Company's General Shareholders' Meeting on 6 May 2021 and found that such policy was correctly applied in 2021 and that, as such, the remuneration for director status and for the performance of executive duties was in line with the terms set forth in said policy.

Finally, the Committee favourably reported on the contractual conditions of Mr. Francisco José Riberas Mera as a result of his re-election as Chief Executive Officer of the Company.

■ **Assessment of the functioning and performance of the Board, its Committees, the Chairman and the Secretary.**

Pursuant to the terms of Article 36.14 of the Board of Directors Regulations, the Board shall devote its first annual session to assessing its own operation and the operation of the Board Committees during the previous year, based on the report submitted by such Committees, and the performance of duties by the Chairman of the Board and the Company's Chief Executive Officer, based on the report submitted by the Nomination and Compensation Committee.

In this respect, the Nomination and Compensation Committee coordinated the assessments of the Board of Directors, its Committees and the Secretary of the Board of Directors for 2021 and, together with the Coordinating Director, that of the Chairman of the Board of Directors and prepared the relevant report, as well as a first draft of the Action Plan for submission to the Board of Directors in its first meeting of 2022.

In addition, in financial year 2021, the Committee monitored the degree of compliance with the Action Plan approved in relation to the assessment for financial year 2020.



- **Activities related to the Company's corporate governance**

The Nomination and Compensation Committee reviewed and favourably report on the information contained in the Annual Report on the Remuneration of Directors for financial year 2020.

Furthermore, the Committee reviewed the content of the Annual Corporate Governance Report for financial year 2020 in all the sections under its competency.

The Committee approved the new Competency Matrix of the Board of Directors and verified compliance with the Board of Directors' Selection Policy for 2020 due to the appointments of the abovementioned members of the Board of Directors.

The Nomination and Compensation Committee proposed, for approval by the Board of Directors, the modification of the Succession Plan for the Chairman of the Board of Directors in order to adapt it to the organisational changes made in financial year 2020, specifically, the voluntary resignation of the Director Mr. Francisco López Peña, as Chief Executive Officer.

At the last meeting of the year, the Committee approved a schedule of meetings for financial year 2022.

- **Other activities.**

The Nomination and Compensation Committee approved the Director Training Plan for financial years 2021 and 2022.

The Committee also approved the Director Induction Plan which applies to incoming Directors.

## 8. Preparation and approval

This Report was prepared by the Nomination and Compensation Committee on 28 February 2022 and approved by the Board of Directors on the same date.