

*This document is a translation into English of an original document drafted in Spanish. This translation is for information purposes only, therefore, in case of discrepancy, the Spanish version shall prevail.*

**MODEL ANNEX I**

**ANNUAL CORPORATE GOVERNANCE REPORT OF  
LISTED COMPANIES**

**IDENTIFICATION DETAILS OF THE**

**END OF REPORTING PERIOD 31/12/2019**

**Tax ID Code A48943864**

**Registered Name:  
GESTAMP AUTOMOCIÓN, S.A.**

**Registered Address:  
Polígono Industrial de Lebario, s/n, Abadiano, 48220, Bizkaia**

**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES**

**A OWNERSHIP STRUCTURE**

A.1 Complete the following table about the share capital of the company:

Date of last change	Share capital (€)	Number of shares	Number of voting rights
03/03/2017	287,757,180	575,514,360	575,514,360

Remarks

State whether or not there are different classes of shares with different associated rights:

Yes  No

Category	Number of shares	Nominal value per share	Number of voting rights per share	Different rights

Remarks

A.2 Provide a breakdown of the direct and indirect holders of significant shareholdings as of the end of the financial year, excluding directors:

Individual or company name of shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
Acek Desarrollo y Gestión Industrial, S.L.	19.69	50.10	-	-	69.79

Remarks

Details of the indirect shareholding:

Individual or company name of indirect holder	Individual or company name of direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights
Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	50.10	00.00	50.10

Remarks

State the most significant changes in the shareholding structure that have occurred during the financial year:

Most significant changes

A.3 Complete the following tables about members of the board of directors of the company who have voting rights attached to the shares of the company:

Individual or company name of director	% voting rights attributed to the shares		% voting rights through financial instruments		% total voting rights	% voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr. Francisco López Peña	0.14	-	-	-	0.14	-	-
Mr. Javier Rodríguez Pellitero	0.00	-	-	-	0.00	-	-
Mr. Alberto Rodríguez-Fraile Díaz	0.01	-	-	-	0.01	-	-
Mr. Pedro Sainz de Baranda Riva	0.01	-	-	-	0.01	-	-
Mr. Cesar Cernuda Rego	0.00	-	-	-	0.00	-	-

<b>Total percentage of voting rights held by the board of directors</b>	0.16
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Remarks
Mr. Javier Rodríguez Pellitero and Mr. Cesar Cernuda Rego hold a direct stake of 0.002% and 0.004%, respectively, which, together with the stake held by the other Directors, results in a total of 0.166%.

Details of the indirect shareholding:

Individual or company name of director	Name or company name of the direct holder	% voting rights attributed to the shares	% voting rights through financial instruments	% total voting rights	% voting rights that can be transferred through financial instruments

-	-	-	-	-	-
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<b>Remarks</b>

A.4 State, if applicable, the family, commercial, contractual, or corporate relationships between significant shareholders, insofar as they are known to the company, unless they are immaterial or result from the ordinary course of business, except those that are reported in section A.6:

<b>Related individual or company name</b>	<b>Type of relationship</b>	<b>Brief description</b>

A.5 State, if applicable, the commercial, contractual, or corporate relationships between significant shareholders and the company and/or its group, unless they are immaterial or result from the ordinary course of business:

<b>Related individual or company name</b>	<b>Type of relationship</b>	<b>Brief description</b>
Acek Desarrollo y Gestión Industrial, S.L. Gestamp Automoción, S.A.	Contractual	Gestamp Automoción, S.A. (hereinafter referred to as the "Company") and any companies belonging to its group, of which the Company is the parent entity, (hereinafter referred to as the "Group"), have a commercial, contractual or corporate relationship with a significant shareholder or companies belonging to its group. Although they results from the ordinary course of business undertaken under market conditions.  The relationship referred to is described in section D of this report to ensure proper transparency.

A.6 Describe the relationship, unless it is of little relevance to both parties, that exists between significant shareholders or representatives on the board and the directors, or their representatives, in the case of legal person directors.

Explain, where applicable, how significant shareholders are represented. Specifically, any directors who have been appointed on behalf of significant shareholders, those

whose appointment was encouraged by significant shareholders, or who are related to significant shareholders and/or entities in their group, specifying the nature of such relationships, shall be indicated. In particular, mention shall be made, where appropriate, of the existence, identity and position of members of the board, or representatives of directors, of the listed company, who are, in turn, members of the management body, or their representatives, in companies which hold significant shareholdings in the listed company or in group entities of these significant shareholders.

<b>Individual or company name of the related director or representative</b>	<b>Individual or company name of related significant shareholder</b>	<b>Company name of the group company of the significant shareholder</b>	<b>Description of relationship / position</b>
Mr Francisco José Riberas Mera	Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	He has control of Halekulani, S.L., a company that, together with the company Ion-Ion, S.L., controls the significant shareholder Acek Desarrollo y Gestión Industrial, S.L. He is Director Acek Desarrollo y Gestión Industrial, S.L. group and of the companies of the group of which it is the parent company (hereinafter, “Acek Group”).
Mr. Juan María Riberas Mera	Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	He has control of Ion-Ion S.L., a company that, together with the company Halekulani, S.L., controls the significant shareholder Acek Desarrollo y Gestión Industrial, S.L. He is also Director of companies in the Acek Group.
Mr. Francisco López Peña	Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	He is Director of Gestamp 2020, S.L.

Mr. Katsutoshi Yokoi	Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	He is Director of Gestamp 2020, S.L.
Mr. Shinichi Hori	Acek Desarrollo y Gestión Industrial, S.L.	Gestamp 2020, S.L.	He is Director of Gestamp 2020, S.L.
Mr. Shinichi Hori	Acek Desarrollo y Gestión Industrial, S.L.	GRI Renewable Industries, S.L., S.L.	He is Director of GRI Renewable Industries, S.L.

<b>Remarks</b>

A.7 State whether any private shareholders' agreements (*pactos parasociales*) affecting the company pursuant to the provisions of Articles 530 and 531 of the Companies Act (*Ley de Sociedades de Capital*) have been reported to the company. If so, briefly describe them and list the shareholders bound by the agreement:

Yes  No

Participants in the private shareholders' agreement	% of share capital affected	Brief description of the agreement	Expiration date of the agreement, if any
Acek Desarrollo y Gestión Industrial, S.L.	69.79	This private shareholders' agreement was formalised on 23 December 2016 and it was reported by virtue of a Significant Event on 7 April 2017 (Record No. 250532). It regulates, among other aspects, corporate governance matters relating to the General Shareholders' Meeting and the Board of Directors of both Gestamp 2020, S.L., and the Company, as well as the transmission regime of shares of the Company. For further information, see note included in Section H.	-
Mitsui & Co., Ltd			
Gestamp 2020, S.L.			
Mr. Francisco José Riberas Mera	69.79	This protocol was formalised on 21 March 2017 and it was reported by virtue of a Significant Event on 7 April 2017 (Record No. 250503). It regulates specific aspects relating to the ownership and management of the Acek Group. In particular, the protocol regulates the procedure for deciding the direction of the vote of Acek	-
Halekulani S.L.			
Mr. Juan María Riberas Mera			
Ion-Ion, S.L.			
Acek Desarrollo y Gestión Industrial S.L.			

		Desarrollo y Gestión Industrial, S.L., with respect to the agreements adopted in the General Shareholders' Meeting of the Company and of Gestamp 2020, S.L., the first refusal and tag along rights regarding shares of Acek Desarrollo y Gestión Industrial, S.L., and the regime to solve deadlock situations that could affect the Company. For further information, see note included in Section H.	
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<b>Remarks</b>

State if the company is aware of the existence of concerted actions among its shareholders. If so, briefly describe them:

Yes                       No

Participants in concerted action	% of share capital affected	Brief description of the concerted action	Expiration date of the agreement, if any

<b>Remarks</b>

Expressly state whether or not any of such agreements, arrangements or concerted actions have been modified or terminated during the financial year:

Not applicable

A.8 State whether there is any individual or legal entity that exercises or may exercise control over the company pursuant to section 5 of the Securities Market Act (*Ley del Mercado de Valores*). If so, identify it:

Yes                       No

<b>Individual or company name</b>
Acek Desarrollo y Gestión Industrial, S.L.

<b>Remarks</b>
Acek Desarrollo y Gestión Industrial, S.L., controls and has a 75% participation in the capital of Gestamp 2020, S.L. It is also the holder of 50.10% of the share capital and voting rights of the Company. Furthermore, Acek Desarrollo y Gestión Industrial, S.L., holds a 19.69% direct share in the capital of the Company. Therefore, Acek Desarrollo y Gestión Industrial, S.L., controls 69.79% of the voting rights of the Company.
The Riberas family has control of Acek Desarrollo y Gestión Industrial, S.L., given

that it is the indirect holder of its entire share capital through the companies Halekulani, S.L., and Ion-Ion, S.L. At present, Mr. Francisco José Riberas has control of Halekulani, S.L., and Mr. Juan María Riberas has control of Ion-Ion, S.L. The management body of Acek Desarrollo y Gestión Industrial, S.L., comprises two joint directors: Halekulani, S.L., (represented by Mr. Francisco José Riberas) and Ion-Ion, S.L., (represented by Mr. Juan María Riberas).

A.9 Complete the following tables about the company's treasury shares:

**As of year-end:**

Number of direct shares	Number of indirect shares (*)	Total % of share capital
688,549	0	0.12

Remarks
The number of treasury shares of the Company included in this section are those corresponding to the operations carried out under the liquidity contract signed between the Company and JB Capital Markets, Sociedad de Valores, S.A.U. and notified to the market by means of a Significant Event dated 24 September 2018 (record number 269864).

**(\*) Through:**

Individual or company name of direct holder of the interest	Number of direct shares
<b>Total:</b>	

Remarks

Explain any significant changes that have occurred during the year:

Explain any significant changes

A.10 Describe the conditions and duration of the powers currently in force given by the shareholders to the board of directors in order to issue, repurchase or transfer own shares of the company:

The Company's General Shareholders' Meeting, held on 3 March 2017, agreed, under point nine of the agenda, to authorise the Company's Board of Directors to acquire treasury shares subject to the following conditions:

- The acquisitions shall be undertaken by the Company itself or through subsidiary companies.
- The acquisitions shall be undertaken through purchases, swaps, dation in payment or through any other legally valid transaction.



- The maximum number of own shares shall not exceed that legally established.
- The minimum price shall be the nominal value.
- The maximum price shall be the market value on the date of the acquisition, increased by 10%.
- The authorisation is granted for a maximum term of 5 years starting from the date the agreement is adopted.

A.11 Estimated free float:

	%
<b>Estimated free float:</b>	29.93

<b>Remarks</b>

A.12 State whether there are any restrictions (statutory, legislative or of any kind) on the transfer of securities and/or any restrictions on voting rights. In particular, state whether there are any type of restrictions that may hinder the takeover of the company by means of the acquisition of its shares on the market, as well as any systems regarding prior authorisation or communication which, regarding the acquisitions or transfers of the company's financial instruments, are applicable to it by sectorial regulations.

Yes                   No

<b>Description of restrictions</b>

There are no statutory or legislative restrictions on the transfer of securities and or voting rights.

As stated in Section A.7 of this Annual Corporate Governance Report, Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co., Ltd and Gestamp, 2020, S.L., formalised an agreement on 23 December 2016, which governs, among other aspects, the system for transferring the shares of the Company, owned by the shareholders who formalised said agreement. This transfer regime could hinder a takeover of the Company by means of the acquisition of its shares on the market. For further information see the Significant Event of 7 April 2017 (Record No. 250532) and the note included in section H.

Similarly, as stated in the aforementioned section, Mr. Francisco José Riberas Mera, Halekulani, S.L., Mr. Juan María Riberas Mera, Ion-Ion S.L., and Acek Desarrollo y Gestión Industrial, S.L., formalised a protocol on 21 March 2017, which governs, among other aspects, the procedure for deciding the direction of the vote of Acek Desarrollo y Gestión Industrial, S.L., in the Company. This the procedure for deciding the direction of the vote could hinder the takeover of the Company by means of the acquisition of its shares on the market. For further information, see the Significant Event of 7 April 2017 (Record No. 250503) and the note included in section H.

A.13 State whether or not the shareholders acting at a general shareholders' meeting have approved the adoption of breakthrough measures in the event of a takeover bid pursuant to the provisions of Law 6/2007.

Yes

No

Explain the approved measures and the terms on which the restrictions will become ineffective.

A.14 State whether or not the company has issued securities that are not traded on an EU regulated market.

Yes

No

If applicable, specify the different classes of shares, if any, and the rights and obligations attached to each class of shares.

The Company has issued promissory notes that are traded on the Alternative Fixed-Income Market (MARF).

Also, the Company has issued two senior notes traded on the Euro MTF market of the Luxembourg Stock Exchange, one through the wholly-owned investee Gestamp Funding Luxembourg, S.A., and the other in which the Company itself has acted as the issuer.

For further information relating to these debt instruments, see the website of the abovementioned markets: [www.bmerf.es](http://www.bmerf.es) and [www.bourse.lu](http://www.bourse.lu), respectively.

**B GENERAL SHAREHOLDERS' MEETING**

B.1 State and, if applicable, describe whether or not there are differences with the minimum requirements set out in the Companies Act (LSC) regarding the quorum needed to hold a general shareholders' meeting.

Yes  No

	<b>% quorum differing from that established in Art. 193 of Spanish Capital Companies Act (LSC) for general cases</b>	<b>% quorum differing from that established in Art. 194 LSC for special cases pursuant to Art. 194 LSC</b>
<b>Quorum required on 1st call</b>		
<b>Required quorum upon 2nd call</b>		

<b>Description of the differences</b>

B.2 State and, if applicable, describe any differences from the rules set out in the Companies Act for the adoption of corporate resolutions:

Yes  No

Describe how they differ from the rules provided by the Companies Act.

	<b>Qualified majority other than that established in Article 201.2 of the Companies Act for the cases set forth in Article 194.1 of the Companies Act</b>	<b>Other instances in which a qualified majority is required</b>
<b>% established by the entity for the adoption of resolutions</b>		
<b>Describe the differences</b>		

B.3 State the rules applicable to the amendment of the by-laws of the company. In particular, disclose the majorities provided for amending the by-laws, and any rules provided for the protection of the rights of the shareholders in the amendment of the by-laws.

The By-laws of the Company do not establish different or additional rules to those set out by law for the amendment of by-laws.

In this regard, according to the provisions under Article 13.3 of the Company's By-laws, in order for the General Shareholders' Meeting to validly agree any by-law amendment, the following shall be required: on first call, the absolute majority of shareholders present, either in person or by proxy, provided they hold at least fifty percent of the subscribed share capital with voting rights; and, on second call, the favourable vote of two thirds of shareholders present, either in person or by proxy, at the General Shareholders' Meeting, when there are shareholders representing twenty-five percent or more of the subscribed share capital with voting rights, without reaching fifty percent.

- B.4 State the data on attendance at the general shareholders' meetings held during the financial year referred to in this report and those of the two previous financial years:

Date of general shareholders' meeting	Attendance data				
	% of shareholders present in person	% of shareholders represented by proxy	% absentee voting		% Total
			Electronic voting	Others	
06/05/2019	0.53	77.10	0	5.22	82.85
Of which free float:	0.36	7.31	0	5.22	12.89
07/05/2018	0.41	83.15	0	0.15	83.71
Of which free float:	0.27	11.88	0	0.15	12.30
22/03/2017	0	100	0	0	100
Of which free float:	0	0	0	0	0
03/03/2017	0	100	0	0	100
Of which free float:	0	0	0	0	0

Remarks
For the sake of clarity, the data on attendance in person includes those shareholders natural persons present at the General Shareholders' Meeting. On the other side, data on attendance represented includes shareholders natural persons represented by proxies present at the General Shareholders' Meeting and shareholders legal entities which are largely the majority of the share capital. Also, the data on % absentee voting ("others") includes those votes received by ordinary mail.

- B.5 State whether at the general meetings held throughout the year there were any items on the agenda that, for any reason, were not approved by the shareholders.

Yes

No

Agenda items not approved	% votes against (*)

- (\*) If the non-approval of the item is due to a reason other than a vote against, it is to be explained in the text part, placing "n/a" in the column "% votes against".

B.6 State whether or not there are any by-law restrictions requiring a minimum number of shares to attend the general shareholders' meeting, or to vote remotely:

Yes  No

Number of shares required to attend the general shareholders' meeting	
Number of shares required to vote remotely	

B.7 State whether it has been established that certain decisions, other than those established by law, which involve the acquisition, disposal or contribution of essential assets to another company or other similar corporate operations, must be subject to the approval of the general shareholders' meeting.

Yes  No

Explanation regarding the decisions to be submitted to the board, other than those established by law

B.8 State the address and method for accessing the company's website to access information regarding corporate governance and other information regarding general shareholders' meetings that must be made available to the shareholders through the Company's website.

On the Company's website ([www.gestamp.com](http://www.gestamp.com)), there is a Corporate Governance section, which can be accessed from the home page via the "Investors and Shareholders" section. In this section on Corporate Governance, information on the Company's corporate texts, the General Shareholders' Meeting and on the Board of Directors and its committees, among other content, can be accessed.

This section of "Corporate Governance" is accessible in two clicks from the home page.

**C STRUCTURE OF THE COMPANY'S MANAGEMENT****C.1 Board of directors**

C.1.1 Minimum and maximum number of directors provided for in the Articles of Association and the number set by the General Meeting:

<b>Maximum number of directors</b>	15
<b>Minimum number of directors</b>	9
<b>Number set by the general meeting</b>	12

<b>Remarks</b>

C.1.2 Complete the following table identifying the members of the board:

<b>Individual or company name of director</b>	<b>Representative of</b>	<b>Category of director</b>	<b>Position on the Board</b>	<b>Date of first appointment</b>	<b>Date of last appointment</b>	<b>Election procedure</b>
Mr. Francisco José Riberas Mera	-	Executive	Executive Chairman	22/12/1997	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Francisco López Peña	-	Executive	CEO	05/03/2010	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Juan María Riberas Mera	-	Proprietary	Vice-chairman	22/12/1997	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Shinichi Hori	-	Proprietary	Member	04/04/2018	04/04/2018	Agreement of the Board of Directors
Mr. Katsutoshi Yokoi	-	Proprietary	Member	04/04/2019	04/04/2019	Agreement of the Board of Directors
Mr. Alberto Rodríguez-Fraile Díaz	-	Coordinating Independent Director	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Javier Rodríguez Pellitero	-	Independent	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Mr. Pedro Sainz de Baranda Riva	-	Independent	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Ms. Ana	-	Independent	Member	24/03/2017	24/03/2017	General

García Fau						Shareholders' Meeting Agreement.
Mr. César Cernuda Rego	-	Independent	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.
Mrs. Concepción Rivero Bermejo	-	Independent	Member	29/07/2019	29/07/2019	Agreement of the Board of Directors
Mr. Gonzalo Urquijo Fernández de Araoz	-	Other External Directors	Member	24/03/2017	24/03/2017	General Shareholders' Meeting Agreement.

<b>Total number of directors</b>	12
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State any resignations, dismissals or vacancies that have occurred for any other reason on the Board of Directors during the reporting period:

Individual or company name of director	Class of director at time of vacancy	Date of last appointment	Date of vacancy	Specialist Committees of which he/she was a member	Indicate whether the resignation/dismissal took place before the end of the term of office
Mr. Tomofumi Osaki	Proprietary	24/03/2017	02/04/2019	-	Yes
Mr. Geert Maurice van Poelvoorde	Other External	24/03/2017	15/07/2019	-	Yes

Reason for resignation/dismissal and other observations
Mr. Noboru Katsu resigned as a member of the Board of Directors and of the Company's Nomination and Compensation Committee by means of a letter sent to the Board of Directors in which he expressly justifies that his resignation is due to a change in his position within the organisational structure of Mitsui & Co. Ltd. Also, Mr. Geert Maurice van Poelvoorde resigned as a member of the Board of Directors by means of a letter sent to the Board of Directors in which he expressly justifies that his position within the Arcelormittal Group would prevent him from performing the role of director of the Company with the necessary dedication.

C.1.3 Complete the following tables about the members of the board and each member's status:

#### **EXECUTIVE DIRECTORS**

Individual or company name of director	Position within the company's structure	Profile
Mr. Francisco José Riberas Mera	Executive Chairman.	He holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid. He began his professional career by taking on different positions in the Gonvarri Group as

		<p>Director of Corporate Development and later as Managing Director. In 1997 he created the Company and since then he has been its Executive Chairman, shaping over time what the Group is today.</p> <p>He sits on the management bodies of other Group companies and of companies in the Acek Group (including companies in the Gonvarri Group, Acek Energías Renovables and Inmobiliaria Acek). He is also a member of other Boards of Directors outside the Acek Group such as: Telefónica, CIE Automotive, General de Alquiler de Maquinaria (GAM) and Sideacero. In addition, he participates in the Endeavor Foundation and is the Chairman of the Family Business Institute, among others.</p>
Mr. Francisco López Peña	CEO	<p>He holds a degree in Civil Engineering from the Polytechnic University of Barcelona and a Master of Business Administration (MBA) from the IESE Business School, Barcelona.</p> <p>He has extensive experience in the vehicle parts sector with over 18 years in the Group. Previously, he held executive management positions in companies in sectors such as industrial mining and textiles. In 1998 he joined the Group as Director of Corporate Development, becoming Vice Chairman and CFO in 2008 and then CEO in 2017.</p> <p>He is a Director of several subsidiaries of the Company.</p>

<b>Total number of executive directors</b>	2
<b>Total % of the board</b>	16.67%

<b>Remarks</b>

#### **EXTERNAL PROPRIETARY DIRECTORS**

<b>Individual or company name of director</b>	<b>Individual or company name of the significant shareholder represented by the director or that has proposed the director's appointment</b>	<b>Profile</b>
Mr. Juan María Riberas Mera	Acek Desarrollo y Gestión Industrial, S.L.	He holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid.



		<p>He is currently Chief Executive Officer of the Gonvarri Group and the Group Acek Energías Renovables S.L.. He began his professional career in the Corporate Development area of the Gonvarri Group, where he later became Chief Executive Officer, a position he currently holds. In 2007, he promoted the creation of the Group Acek Energías Renovables, S.L., holding the position of Executive Chairman ever since.</p> <p>He is Chairman of the Board of Directors of Gonvarri and Acek Energías Renovables, S.L. and a member of the management bodies of the subsidiaries of these companies. He is also a member of the board of Acek Group companies (including the Inmobiliaria Acek Group). Outside the Acek Group, he sits on the Boards of Directors of CIE Automotive, S.A. and companies in the Sideacero, S.L. Group. He is also a Director of the Juan XXIII Foundation, among others.</p>
Mr. Shinichi Hori	Acek Desarrollo y Gestión Industrial, S.L.	<p>He has a degree in Commerce from Waseda University, Tokyo. He also holds a master's degree in business from MIT, Sloan School of Management, Massachusetts.</p> <p>He has extensive experience in the steel sector, having worked for over 30 years in the Mitsui &amp; Co. Ltd. Group, where he worked in different international positions and where he is currently the General Director and Director of Operations of the Iron and Steel Products Business Unit. He began his professional career at Mitsui &amp; Co. Ltd. Group in the area of Planning and Administration of the Iron and Steel Division, later holding different managerial positions in the USA and Japan. In 2009 he was appointed Deputy Chairman and CEO of Grupo Mitsui &amp; Co. Ltd. Group. He was subsequently appointed General Director of the International Investment and Project Planning Unit of the Iron and Steel Division of the Mitsui &amp; Co Ltd. Group. In 2014 he became Vice Chairman of Mitsui &amp; Co. (USA) and Director of Operations of the Steel division in USA overseeing the business of the entire region. He also served as member of the Board of Directors of several Mitsui's investee companies related to the automotive sector. Prior to his current position, he was the General Director of the Washington D.C. offices.</p> <p>He is also a member of the Board of Directors of Mitsui &amp; Co. Steel and other Group companies.</p>
Mr. Katsutoshi Yokoi	Acek Desarrollo y Gestión Industrial, S.L.	<p>He holds a degree in International Politics, Economics and Business by the Aoyama Gakuin University, Tokyo.</p>

		<p>In 1988 joined Mitsui &amp; Co. Ltd. where he has been developing his professional career with more than 30 years of experience in the iron and steel products business. He started his career at the Tokyo head office, working for the Coated Steel Products department. Between 1997 and 2005 worked for Mitsui in the US, where he came to hold the position of Vice President of Mitsui Steel, Inc. at New York office. In 2005, back in Japan, he held different leadership positions at the Tokyo head office such as General Manager of different steel divisions and business units as well as at the Corporate Planning &amp; Strategy department. In 2016, he came back to the US as Senior Vice President of the Iron and Steel Products Division. Currently is the General Manager of Automotive Parts Business Division of the Iron &amp; Steel Products Business Unit.</p> <p>He is also on the Board of Directors of several Mitsui's investees companies (including certain companies of the Gestamp Group).</p>
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<b>Total number of proprietary directors</b>	3
<b>Total % of the board</b>	25%

<b>Remarks</b>

**EXTERNAL INDEPENDENT DIRECTORS**

<b>Individual or company name of director</b>	<b>Profile</b>
Mr. Alberto Rodríguez-Fraile Díaz	<p>He holds a Degree in Business Administration from the University of Miami and participated in the PADE programme (<i>Senior Business Management</i>) at the IESE Business School of Madrid. He also has certifications from the Securities Exchange Commission and the National Association of Securities Dealers, such as: Registered Options Principal, Financial and Operation Principal, Securities Principal.</p> <p>He started his professional career as a financial consultant at Merrill Lynch. Over the last 30 years he has worked for Asesores y Gestores Financieros (A&amp;G), a company of which he is a founding partner, shareholder and the Chairman of its Board of Directors. Furthermore, he is a member of the board of A&amp;G Group companies.</p>
Mr. Javier Rodríguez Pellitero	<p>He holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid.</p> <p>He is Secretary General of the Spanish Banking Association (AEB). He is also the Chairman of the Fiscal and the Legal Committee of the AEB, member of the Legal Committee of the European Banking Federation and member of the Consultation Committee of the National Securities Market Commission (CNMV). He started his professional career at the law firm Uría &amp; Menéndez and was subsequently a Head State Lawyer in Zamora. At the CNMV, he</p>

	<p>held several important positions, such as Managing Director of Legal Services and Secretary of the Board. He also acted as Secretary of the Special Work Group that produced the 2006 Unified Code of Good Governance for Listed Companies. He was also a member of the Commission of Experts that produced the 2015 Code of Good Governance for Listed Companies.</p> <p>He is also a Director of Engie España, S.L.U.</p>
Mr. Pedro Sainz de Baranda Riva	<p>He holds a Degree in Mine Engineering from the University of Oviedo and a PhD in Engineering from Rutgers University in New Jersey. He also holds a Master's Degree in Business Administration from the MIT, Sloan School of Management, Massachusetts.</p> <p>He is currently the founding partner of the investment company, Sainberg Investments. A large part of his professional career was undertaken at the United Technologies Corporation Group, where he held different managerial positions with an international scope. He started as an R&amp;D engineer at United Technologies, Connecticut, and later became the General Manager of Engineering and of New Technologies. He was the General Manager of New Installations at Otis Elevator in Mexico, Managing Director of Otis in Portugal, CEO of Zardoya Otis and Chairman of the Southern Europe and Middle East area at Otis Elevator Company and, finally, Executive Chairman of the Otis Elevator Company group.</p> <p>He is a member of the Board of Directors of Scalpers Fashion, Naturgy Energy Group and the Social Council of the Carlos III University of Madrid. In the past, he formed part of the management bodies of certain companies belonging to the Zardoya Otis Group. He is also member of the Board of the Princess of Asturias Foundation.</p>
Ms. Ana García Fau	<p>She holds a Degree in Law and a Degree in Business Management and Economics from the Comillas Pontifical University (ICADE E-3) of Madrid. She also holds a Master of Business Administration (MBA) from the MIT, Sloan School of Management, Massachusetts.</p> <p>She currently sits on the Boards of Directors of Technicolor, Eutelsat Communications, Merlin Properties, DLA Piper and Globalvia. She started her professional career working at McKinsey &amp; Co., for Wolff Olins and Goldman Sachs International. She is also a member of the advisory councils of the mutual benefit fund of the Spanish Lawyers, Pictet Wealth Management España and Salesforce Association in Spain.</p> <p>At TPI- Páginas Amarillas (Telefónica Group) she was General Director of the Corporate Development area and subsequently Chief Financial Officer. She formed part of the Boards of Directors of different companies under the TPI Group. In the Hibu Group (formally Yell) she held different managerial positions, such as CEO of Yell for business in Spain and Latin America for 7 years, and as Global General Director of Business Strategy and Development, as well as being a member of its Global Steering Committee, taking part of the company's digital transformation strategy.</p>
Mr. César Cernuda Rego	<p>He holds a Degree in Business Administration and Marketing from the ESIC University, Business &amp; Marketing School, Madrid. Furthermore, he participated in the Managerial Development Programme (PDD) at the IESE Business School in Madrid, as well as in the Executive Leadership programme at Harvard University, Massachusetts.</p> <p>He is currently the Chairman of Microsoft Latin America and Vice-chairman of Microsoft Corporation. He started his professional career in the banking sector at Banco 21 (Banco Gallego) and subsequently worked at Software AG.</p>

	<p>Over the last 20 years he has held different managerial positions on an international level for Microsoft. These positions include being Managing Director of Microsoft Business Solutions in Europe, the Middle East and Africa; Global Vice-chairman of Microsoft Business Solutions; Vice-chairman of Sales, Marketing and Services at Microsoft Latin America, and Chairman of Microsoft for Asia-Pacific.</p> <p>He is currently a member of the Board of Directors of the Americas Society/Council of the Americas, as well as of the Trust of the Americas, representing Microsoft.</p>
Mrs. Concepción Rivero Bermejo	<p>She holds a degree in Economics and Business Administration from the Autonomía University of Madrid, as well as an Advance Management Program from IESE, Madrid, and an Executive Program from Singularity University, California.</p> <p>She is partner of Seeliger y Conde, executive search firm. She started her career at Telyco (a subsidiary of Telefonica) as Product Marketing Director. After that, she was Marketing Director at Amena (now called Orange) and Marketing Director at Xfera (now called Yoigo). Later on, she worked for Nokia as CEO of the Iberia business and as SVP of Telefonica global business at Nokia for 7 years while also serving as a member of the Global Brand Board of the company. After that, she moved to Telefonica as Global Director of the Devices Business Unit, and later, as Global Marketing Director. Her last role at Telefonica was as Deputy General Director of Digital and Commercial Global Unit. Afterwards, she was Senior Advisor at Ericsson and President of the International Women Forum.</p> <p>She currently serves as independent director at Cellnex Telecom (IBEX35). She also serves as member of the advisory board of Mutual Society of Lawyers, Madein Mobile and TuvSud. Furthermore, she is today member of the board of the Spanish Directors Association (AED) and Vice-President of International Women Forum Spain.</p>

<b>Total number of independent directors</b>	6
<b>Total % of the board</b>	50%

<b>Remarks</b>

State whether or not any director classified as independent receives from the company or its group any amount or benefit for items other than director remuneration, or maintains or has maintained during the last financial year a business relationship with the company or with any company of its group, whether in the director's own name or as a significant shareholder, director or senior officer of an entity that maintains or has maintained such relationship.

If applicable, include a reasoned statement of the director regarding the reasons for which it is believed that such director can carry out the duties thereof as an independent director.

<b>Individual or company name of director</b>	<b>Description of the relationship</b>	<b>Reasoned statement</b>

Not applicable.

**OTHER EXTERNAL DIRECTORS**

Identify the other external directors and describe the reasons why they cannot be considered proprietary or independent directors as well as their ties, whether with the company, its management or its shareholders:

Individual or company name of director	Reasons	Company, officer or shareholder with which the director has ties	Profile
Mr. Gonzalo Urquijo Fernández de Araoz	He was a director of the Company for a continuous period of over 12 years.	Gestamp Automoción, S.A.	<p>He holds a degree in Economics and Political Science from Yale University, Connecticut and an MBA from Instituto de Empresa, Madrid.</p> <p>He is currently the Executive Chairman of Abengoa. He began his professional career in the banking sector, working in different positions for Citibank and Crédit Agricole. He later became Director and Chief Financial Officer of Corporación J M Aristrain and Chief Financial Officer of Aceralia Corporación Siderúrgica. In the ArcelorMittal Group he held different managerial positions, such as Vice President of Stainless Steel, Long Products and China, Head of the areas of AACIS, AMDS, or Director of Tubular Products, CSR, Communication, Institutional Relations and Occupational Safety. Subsequently, before taking up his current position, he was Director of Strategy at ArcelorMittal.</p> <p>He is a member of the Board of Directors of Ferrovial and Fertiberia. He is also chairman of the Focus Foundation, Hesperia Foundation and member of the Board of the Princess of Asturias Foundation. He was a member of the Board of Directors of: Aceralia, Aperam, Atlantica Yield and Vocento, and also of Holding Gonvarri, and of certain companies in the ArcelorMittal Group.</p>

<b>Total number of other external directors</b>	1
<b>Total % of the board</b>	8.33%

State the changes, if any, in the class of each director during the period:

Individual or company name of director	Date of change	Former class	Current class
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<b>Remarks</b>

C.1.4 Complete the following table with information regarding the number of female directors for the last 4 financial years, as well as the status of such directors:

	Number of female directors				% of total directors of each class			
	Year t	Year t-1	Year t-2	Year t-3	Year t	Year t-1	Year t-2	Year t-3
<b>Executive</b>	0	0	0	0	0	0	0	0
<b>Proprietary</b>	0	0	0	0	0	0	0	0
<b>Independent</b>	2	1	1	0	33.33	20.00	20.00	0
<b>Other external</b>	0	0	0	0	0	0	0	0
<b>Total:</b>	2	1	1	0	16.66	8.33	8.33	0

<b>Remarks</b>

C.1.5 State whether the company has diversity policies in relation to the company's board of directors with regard to issues such as age, gender, disability, or professional training and experience. Small and medium-sized entities, according to the definition contained in the Auditing Act, shall report, as a minimum, on the policy they have established regarding gender diversity.

Yes  No  Partial Policies

If so, describe these diversity policies, their objectives, the measures and how they have been implemented and their results for the year. Also state the specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee to achieve a balanced and diverse presence of directors.

If the company does not implement a diversity policy, explain why not.

Description of the policies, objectives, measures and the way in which they have been implemented, as well as the results obtained
<p>The Selection Policy of the Board of Directors approved by the Company's Board of Directors on 14 December 2017, at the proposal of the Nomination and Compensation Committee, sets out the procedures and mechanisms for the selection of Directors in order for the Company's Board of Directors to have the knowledge, skills and experience necessary to guarantee suitable governance of the Company at all times. This policy sets out the underlying principles that are to govern it, which include the following:</p> <ul style="list-style-type: none"> <li>• <u>Equal treatment and transparency.</u> This principle states that the selection of directors shall be transparent and free from implicit bias, so as to guarantee the same opportunities for all qualified candidates.</li> </ul>

- Diversity. This principle states that diversity of experience, knowledge and gender is to be encouraged.

The Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors sets out the knowledge, skills, diversity and experience that the Board of Directors as a whole must possess such that it serves as a reference and support tool for the Selection Policy of the Board of Directors. This guide, approved on 14 December 2017 by the Board of Directors at the proposal of the Nomination and Compensation Committee, develops the aforementioned principles and establishes that, for the purposes of selecting candidates and re-electing Directors, and in the face of equal knowledge and experience, diversity is to be encouraged, thus preventing discrimination on grounds of gender, age, culture, religion and race, and that the composition of the Board of Directors is to be in accordance with the demographic reality of the markets in which the Company operates.

In view of the vacancy that arose during 2019 and in order to comply with the provisions of the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience and to promote diversity in the Board, the Nomination and Compensation Committee agreed at its meeting on 25 July 2019 to adopt the measure that, given the equal knowledge and experience of the different candidates, it would be advantageous for the vacancy to be filled by a woman.

In this respect, in accordance with Article 41. 1. (b) of the Board of Directors' Regulations, the Nomination and Compensation Committee verified compliance with the aforementioned Board of Directors Selection Policy at its meeting on 17 December 2018, and no deficiencies in its implementation were identified.

- C.1.6 Explain any measures, if appropriate, approved by the appointments committee in order for selection procedures to be free of any implied bias that hinders the selection of female directors, and in order for the company to deliberately search for women who meet the professional profile that is sought and include them among potential candidates in order to allow for a balanced presence of men and women:

As set out in Section C.1.5. of the Board of Directors Selection Policy, which was approved, equal treatment and diversity shall be inspirational principles of director selection processes. The policy establishes that the selection process of possible directors shall be based on an analysis of the duties and the skills required to adequately meet the diversity profile of the Board of Directors, among other profiles, based on that set out in the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors. The guide contains the main criteria that were followed to design the composition of the current Board of Directors and that are to be followed when it comes to filling future vacancies while no amendments are made.

Some of the stand-out principles include favouring the selection of candidates and the re-election of directors, who have the necessary knowledge and experience, favouring diversity and preventing discrimination on grounds of gender, among other reasons.

In this sense, as described in section C.1.17, the action plan drawn up by the Nomination and Compensation Committee for the approval of the Board of Directors at its first meeting of 2020, includes some recommendations to be performed, between others, the monitoring of the fulfilment of the diversity principle stated in the Selection Policy of the Board of Directors and the

Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors.

Additionally, as mentioned above, because of the vacancy that arose in the Board during 2019 due to the resignation of Mr. Geert Maurice Van Poelvoorde, the Company's Nomination and Compensation Committee agreed at its meeting of 25 July 2019 to adopt the measure that, given the equal knowledge and experience of the different candidates, it would be advantageous for the vacancy to be filled by a woman. In application of said measure, the Board of Directors finally appointed Ms. Concepción Rivero Bermejo as a Director through the co-opted process, after a report from the Nomination and Compensation Committee.

If there are few or no female directors despite any measures adopted, if applicable, describe the reasons why:

Explanation of reasons

As referred to in section C.1.5., the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors establishes as a fundamental principle, the promotion of the selection of candidates who, having the necessary knowledge and experience, benefit diversity, thus preventing discrimination on grounds of gender, among others. Likewise, the Nomination and Compensation Committee, at its meeting of 25 July 2019, approved a measure to be applied in the selection process for candidates applying for the Director position, in that, given the equal knowledge and experience of the candidates, it would be preferable for the vacancy to be filled by a woman. Notwithstanding the foregoing, during the 2019 financial year the aforementioned measures have been applied only on one occasion since, firstly, there have been no vacancies during the year due to the expiration of the positions of the Board of Directors (the vast majority of the positions expire in 2021) and, secondly, the first of the two vacancies occurring during the year was caused by the resignation of the Proprietary Director Mr. Tomofomi Osaki, a vacancy that, given his status as a proprietary director, was filled by another Director, previously proposed as a candidate by the shareholder Acek Desarrollo y Gestión Industrial, S.L. (in application of the shareholder agreement described in section A.7).

The other vacancy that emerged during 2019 arose due to the resignation of the Other External Director, Mr. Geert Maurice Van Poelvoorde, a vacancy that, in this case, was filled by Ms. Concepción Rivero Bermejo in application of the measure agreed by the Nomination and Compensation Committee, in that, given the equal knowledge and experience of the different candidates, it would be preferable for the vacancy to be filled by a woman.

- C.1.7 Explain the conclusions of the appointments committee regarding verification of compliance with the director selection policy. In particular, explain how said policy is fostering the goal for the number of female directors to represent at least 30% of all members of the board of directors by 2020.

The Nomination and Compensation Committee at its meeting on 16 December 2019 verified compliance with the Selection Policy of the Board of Directors in financial year 2019. During this year, only two vacancy occurred:

- On one part, in the context of the resignation submitted by Mr.



Tomofumi Osaki as a proprietary member of the Board of Directors, with effect from 2 April 2019. The Company's Board of Directors formally recognised this resignation and, in accordance to the shareholders agreement between Acek Desarrollo y Gestión Industrial, S.L. and Mitsui & Co. Ltd. described in section A.7., co-opted Mr. Katsutoshi Yokoi as a member of the Board of Directors on a proprietary basis.

Prior to this, given the prospect of the resignation of Mr. Tomofumi Osaki, on 3 April 2019 the Nomination and Compensation Committee, in accordance with Article 529r of the Spanish Companies Act and Article 41.1. (f) of the Board of Directors' Regulations, drew up the corresponding report on the proposal for the appointment of Mr. Katsutoshi Yokoi. As stated in the aforementioned report, the Nomination and Compensation Committee took into account the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors regarding the Board of Directors in its assessment of the proposed appointment and concluded that Mr. Katsutoshi Yokoi had the competence, experience and merits required to hold the position of member of the Board of Directors of the Company.

- On the other hand, in the context of the resignation submitted by Mr. Geert Maurice Van Poelvoorde as a member of the Board of Directors as an external director, and effective as of 15 July 2019. The Company's Board of Directors formally became aware of said resignation and appointed, through the co-opted process, Ms. Concepción Rivero Bermejo as a member of the Board of Directors, in the capacity of independent director.

Upon the resignation of Mr. Geert Maurice van Poelvoorde, in order to increase the number of female directors on the Company's Board of Directors and encourage the selection thereof, the Nomination and Compensation Committee on 25 July 2019 it was agreed to adopt the measure that given the equal knowledge and experience of the different candidates, it would be preferable for the vacancy to be filled by a woman. In accordance with the provisions of article 529 (10) of the Companies Act and 41.1. (f) of the Regulations of the Board of Directors, the Committee prepared the corresponding report proposing the appointment of Ms. Concepción Rivero Bermejo, in application of the measure to encourage the referred diversity. As stated in the aforementioned report, the Nomination and Compensation Committee took into account the Selection Policy of the Board of Directors and the The Guidelines for the knowledge, skills, diversity and experience in its assessment of the proposed appointment and concluded that Ms. Concepción Rivero Bermejo had the competence, experience and merits required to hold the position of member of the Company's Board of Directors.

- C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed at the proposal of shareholders whose shareholding interest is less than 3% of share capital:

Individual or company name of shareholder	Reason

State if there has been no answer to formal petitions for presence on the board received from shareholders whose shareholding interest is equal to or greater than that of others at whose proposal proprietary directors have been appointed. If so, describe the reasons why such petitions have not been answered:

Yes  No

Individual or company name of shareholder	Explanation

C.1.9 State, where applicable, the powers and faculties granted by the board of directors to directors or to board committees:

Individual or company name of director or committee	Explanation
Mr. Francisco José Riberas Mera	In a meeting held on 3 March 2017, the Company's Board of Directors appointed Mr. Francisco José Riberas Mera as CEO, delegating to him all the powers inherent to the Board of Directors, including executive powers, except for those which cannot be delegated by law or under the Articles of Association.
Mr. Francisco López Peña	In a meeting held on 14 December 2017, the Company's Board of Directors appointed Mr. Francisco López Peña as CEO, delegating to him all the powers inherent to the Board of Directors, including executive powers, except for those which cannot be delegated by law or under the Articles of Association.

C.1.10 Identify, where applicable, the members of the board who hold the position of directors, representatives of directors or executives in other companies that form part of the listed company's group:

Individual or company name of director	Name of entity within the group	Position	Does he/she have executive duties?
Mr. Francisco José Riberas Mera.	Adral Matricería y Puesta a Punto, S.L.	Representative (natural person) of	YES

		sole director (legal person)	
Mr. Francisco José Riberas Mera.	Autotech Engineering Deutschland GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering R&D, UK Limited	Chairman	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering R&D USA, Inc	Sole Director	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering Spain, S.L.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering France, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Tooling Erandio, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Beyçelik Gestamp Otomotiv Sanayi Anonim Sirketi	Vice-chairman	NO
Mr. Francisco José Riberas Mera.	Diede Die Development, S.L.	Representative (natural person) of Sole Director (legal person).	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Components (Kunshan) Co., Ltd	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Hauzenberg, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Hengersberg, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Italia, S.R.L	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Kamenice, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Michigan, INC.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive SLP, S.A.P.I. DE C.V.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive SLP Servicios Laborales, S.A.P.I. DE C.V.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha North America Technologies, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Edscha Briey, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Burgos, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Edscha Engineering France, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Edscha Engineering, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas	Edscha Hauzenberg Real Estate, GmbH & Co KG	Joint and Several	YES

Mera.		Director	
Mr. Francisco José Riberas Mera.	Edscha Hengersberg Real Estate, GmbH & Co KG	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Holding, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Hradec, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Kunststofftechnik, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Edscha Santander, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Edscha Velky Meder, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp 2008, S.L.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Gestamp Finance Slovakia, S.R.O.	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Almussafes Mantenimiento de Troqueles, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Palau, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Automotive India, Private Limited	Board Member	NO
Mr. Francisco José Riberas Mera.	Gestamp Holding Mexico, S.L	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Holding Argentina, S.L	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Autocomponents Dongguan, Co. Ltd	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Autocomponents Kunshan, Co. Ltd	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Abrera, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Aguas Calientes, S.A. de C.V.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Gestamp Alabama, LLC	Sole director	YES
Mr. Francisco José Riberas Mera.	Gestamp Aragón, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Aveiro- Industria e accesorios de Automoveis, S.A.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Bizkaia, S.A.	Representative (natural person) of sole director (legal person)	YES

Mr. Francisco José Riberas Mera.	Gestamp Cartera de Mexico, S.A. de C.V.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Gestamp Cerveira, Lda	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Chattanooga, LLC	Sole director	YES
Mr. Francisco José Riberas Mera.	Gestamp Esmar, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Estarreja, LDA	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Global Tooling, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Griwe Haynrode, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Griwe Westerburg, GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Hardtech, A.B.	Board Member	NO
Mr. Francisco José Riberas Mera.	Gestamp Holding China, A.B.	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Holding Rusia, S.L.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Hungária Kft	CEO	YES
Mr. Francisco José Riberas Mera.	Gestamp Ingeniería Europa Sur, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Kartek Corp.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Levante, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Linares, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Louny S.R.O.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Manufacturing Autochasis, S.L	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Mason, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Metalbages, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas	Gestamp Mexicana de Servicios Laborales, S.A.	Chairman	NO

Mera.	De C.V.		
Mr. Francisco José Riberas Mera.	Gestamp Mexicana de Servicios Laborales II, S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Navarra, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp North America, Inc.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp North Europe Services, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Noury S.A.S	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Palencia, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Polska Sp. Z. O. O.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Puebla II, S.A. De C.V.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Puebla S.A. De C.V.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Ronchamp, S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Services India Private Limited	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Servicios Laborales de Toluca S.A. de C.V	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Servicios, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Solblank Barcelona, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Solblank Navarra, S.L.U.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp South Carolina, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Automotive Chennai Private Limited	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Sweden, A.B.	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Tech, S.L.	Representative (natural person) of sole director (legal person)	YES

Mr. Francisco José Riberas Mera.	Gestamp Toledo, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Toluca S.A. de C.V.	Chairman/CEO	YES
Mr. Francisco José Riberas Mera.	Gestamp Tool Hardening, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Tooling Services, A.I.E.	Representative (natural person) of Managing Director/Chairman (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Vendas Novas Unipessoal, Lda	Board Member	YES
Mr. Francisco José Riberas Mera.	Gestamp Vigo, S.A.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Washington UK Limited	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp West Virginia, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Automotive Chassis Products UK Limited	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Metal Forming (Wuhan) Ltd.	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Prisma, S.A.S.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Tallent Limited	Managing Director/Chairman	YES
Mr. Francisco José Riberas Mera.	Beyçelik Gestamp Şasi Otomotiv	Vice-chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Wroclaw Sp.Z.O.O.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Sofedit S.A.S.	Chairman	YES
Mr. Francisco José Riberas Mera.	Ingeniería Global Metalbages, S.A.U.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Loire, S.A.F.E.	Representative (natural person) of Managing Director/Chairman (legal person)	YES
Mr. Francisco José Riberas Mera.	MPO Prodivers Rezistent, Srl	Board Member	NO
Mr. Francisco José Riberas Mera.	Çelik Form Gestamp Otomotiv, A.S.	Chairman	NO

Mr. Francisco José Riberas Mera.	Beyçelik Gestamp Teknoloji Ve Kalip Sanayi Anonim Şirketi	Board Member	NO
Mr. Francisco José Riberas Mera.	Matricería Deusto, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Automated Joining Solutions, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Mexicana de Servicios Laborales S.A. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Societe Civile Immobilière De Tournan	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Pune Automotive Private Limited	Chairman	NO
Mr. Francisco José Riberas Mera.	Todlem, S.L.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Try Out Services, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Mursolar 21, S.L.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp 2017, S.L.U.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Technology Institute, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco José Riberas Mera.	Gestamp Tooling Engineering Deutschland GmbH	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Umformtechnik GmbH	Joint and Several Director	YES
Mr. Francisco José Riberas Mera.	Gestamp Chattanooga II, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering R&D USA, Inc.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Edscha Automotive Slp, S.A.P.I. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Edscha Automotive Slp Servicios Laborales, S.A.P.I. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Auto Components (Wuhan) Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Auto Components (Chongqing) Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Auto Components (Shenyang) Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Nitra, S.R.O.	Sole Director	YES
Mr. Francisco José Riberas Mera.	Gestamp San Luis Potosí, S.A.P.I. De C.V	Chairman/CEO	YES



Mera.			
Mr. Francisco José Riberas Mera.	Gestamp San Luis Potosí Servicios Laborales, S.A.P.I. De C.V.	Chairman	NO
Mr. Francisco José Riberas Mera.	Gestamp Washtenaw, LLC	Sole Director	YES
Mr. Francisco José Riberas Mera.	Autotech Engineering (Shanghai) Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Hot Stamping Japan Co., Ltd.	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp (China) Holding Co., Ltd	Chairman	YES
Mr. Francisco José Riberas Mera.	Gestamp Autotech Japan K.K	Board Member	YES
Mr. Francisco José Riberas Mera.	Reparaciones Industriales Zaldibar, S.L.	Representative (natural person) of sole director (legal person)	YES
Mr. Francisco López Peña	Autotech Engineering France, S.A.S.	Board Member	NO
Mr. Francisco López Peña	Beyçelik Gestamp Otomotiv Sanayi Anonim Sirketi	Board Member	NO
Mr. Francisco López Peña	Edscha Automotive Hauenberg, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Automotive Hengersberg, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Automotive Italia, S.R.L	Board Member	NO
Mr. Francisco López Peña	Edscha Automotive Kamenice, S.R.O.	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Engineering France, S.A.S	Board Member	YES
Mr. Francisco López Peña	Edscha Engineering, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Hauenberg Real Estate, GmbH & Co KG	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Hengersberg Real Estate, GmbH & Co KG	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Holding, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Hradec, S.R.O.	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Kunststofftechnik, GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Edscha Velky Meder, S.R.O.	Joint and Several Director	YES
Mr. Francisco López Peña	Gestamp 2008, S.L.	Board Member	NO
Mr. Francisco López Peña	Gestamp Autotech Japan K.K	Board Member	NO
Mr. Francisco López Peña	Gestamp Finance Slovakia, S.R.O.	Joint and Several Director	YES
Mr. Francisco López Peña	Gestamp Automotive India, Private Limited	Board Member	NO
Mr. Francisco López Peña	Gestamp Holding Mexico, S.L	Board Member	NO
Mr. Francisco López Peña	Gestamp Holding Argentina, S.L	Board Member	NO
Mr. Francisco López Peña	Gestamp Autocomponents Dongguan, Co. Ltd	Board Member	NO

Mr. Francisco López Peña	Gestamp Autocomponents Kunshan, Co. Ltd	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Shenyang) Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Tianjin) Co., Ltd.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Auto Components Sales (Tianjin) Co., Ltd.	Chairman	YES
Mr. Francisco López Peña	Gestamp Auto Components (Beijing) Co.,	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Aguas Calientes, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Aveiro- Industria E Acessorios De Automoveis, S.A.	Board Member	NO
Mr. Francisco López Peña	Gestamp Cartera De Mexico, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Cerveira, Lda	Board Member	YES
Mr. Francisco López Peña	Gestamp Estarreja, LDA	Board Member	YES
Mr. Francisco López Peña	Gestamp Holding China, Ab	Board Member	NO
Mr. Francisco López Peña	Gestamp Holding Rusia, S.L.	Board Member	NO
Mr. Francisco López Peña	Gestamp Kartek Corp.	Board Member	NO
Mr. Francisco López Peña	Gestamp Mexicana de Servicios Laborales, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	MPO Prodivers Rezistent, Srl	Board Member	NO
Mr. Francisco López Peña	Çelik Form Gestamp Otomotiv, A.S.	Board Member	NO
Mr. Francisco López Peña	Beyçelik Gestamp Teknoloji Ve Kalip Sanayi Anonim Şirketi	Board Member	NO
Mr. Francisco López Peña	Gestamp Mexicana de Servicios Laborales II, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp North America, Inc.	Board Member	NO
Mr. Francisco López Peña	Gestamp Noury S.A.S	Board Member	NO
Mr. Francisco López Peña	Gestamp Puebla II, S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Puebla S.A. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Ronchamp, S.A.S.	Board Member	YES
Mr. Francisco López Peña	Gestamp Servicios Laborales de Toluca S.A. de C.V	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Automotive Chennai Private Limited	Board Member	NO
Mr. Francisco López Peña	Gestamp Toluca S.A. de C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Vendas Novas Unipessoal, Lda	Board Member	NO
Mr. Francisco López Peña	Gestamp Metal Forming (Wuhan) Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp Tallent Limited	Board Member	NO
Mr. Francisco López Peña	Sofedit S.A.S.	Board Member	NO
Mr. Francisco López Peña	GMF Holding GmbH	Joint and Several Director	YES
Mr. Francisco López Peña	Beyçelik Gestamp Şasi Otomotiv	Board Member	NO
Mr. Francisco López Peña	Mexicana de Servicios Laborales S.A. de C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Pune Automotive Private Limited	Board Member	NO
Mr. Francisco López Peña	Todlem, S.L	Board Member	NO

Mr. Francisco López Peña	Mursolar 21, S.L	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Wuhan) Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp Auto Components (Chongqing) Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp San Luis Potosí, S.A.P.I. De C.V	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp San Luis Potosí Servicios Laborales, S.A.P.I. De C.V.	Vice-chairman	NO
Mr. Francisco López Peña	Gestamp Hot Stamping Japan Co., Ltd.	Board Member	NO
Mr. Francisco López Peña	Gestamp (China) Holding Co., Ltd	Board Member	NO
Mr. Juan María Riberas Mera	Beyçelik Gestamp Otomotiv Sanayi Anonim Sirketi	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp Automotive India, Private Limited	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp Holding Mexico, S.L	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp Holding Argentina, S.L.	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp Holding Rusia, S.L.	Board Member	NO
Mr. Juan María Riberas Mera	Gestamp North America, Inc.	Board Member	NO
Mr. Juan María Riberas Mera	Todlem, S.L	Secretary	NO
Mr. Tomofumi Osaki	Gestamp Holding Mexico, S.L.	Board Member	NO
Mr. Tomofumi Osaki	Gestamp Holding Argentina, S.L.	Board Member	NO
Mr. Tomofumi Osaki	Gestamp North America, Inc.	Board Member	NO
Mr. Shinichi Hori	Gestamp North America, Inc.	Board Member	NO
Mr. Shinichi Hori	Gestamp Holding Argentina, S.L.	Board Member	NO
Mr. Shinichi Hori	Gestamp Holding Mexico, S.L.	Board Member	NO

Remarks

C.1.11 Identify, where applicable, the directors or representatives of legal entity directors of your company, who are members of the board of directors or representatives of legal entity directors of other companies listed on official stock exchanges other than those of your group, that have been reported to the company:

Individual or company name of director	Name of listed company	Position
Ms. Ana García Fau	Merlin Properties Socimi, S.A.	Board Member
	Technicolor, S.A.	Board Member
	Eutelsat Communications, S.A.	Board Member
Mr. Francisco José Riberas Mera	CIE Automotive, S.A.	Board Member
	Telefónica, S.A.	Board Member
	General de Alquiler de	Board Member

	Maquinaria, S.A.	
Mr. Juan María Riberas Mera	CIE Automotive, S.A.	Board Member
	Global Dominion Access, S.A.	Board Member
Mr. Pedro Sainz de Baranda Riva	Naturgy Energy Group, S.A.	Board Member
Mr. Gonzalo Urquijo Fernández de Araoz	Ferrovial, S.A.	Board Member
	Abengoa, S.A.	Chairman
Mrs. Concepción Rivero Bermejo	Cellnex Telecom, S.A.	Board Member

Remarks

C.1.12 State and, where applicable explain, whether or not the company has established any rules regarding the maximum number of company boards on which its directors may sit, identifying, in turn, where it is regulated:

Yes  No

Explanation of the rules and identification of the document where it is regulated
<p>Pursuant to the provisions under Article 17 of the Regulations of the Board of Directors, natural persons who represent a legal entity Director and natural persons or legal entities who hold the position of director of more than eight (8) companies, of which, at most, four (4) have their shares admitted to trade on national or foreign stock exchanges, may not be directors. For that purpose, positions held in asset-holding companies shall be excluded from the count and companies belonging to the same group are to be considered as one company.</p>

C.1.13 State the amounts of the following items relating to the overall remuneration of the Board of Directors:

<b>Remuneration accrued in the year by the board of directors (thousands of euros)</b>	2,641.25
<b>Amount of pension rights accumulated by the current directors (thousands of euros)</b>	0
<b>Amount of pension rights accumulated by former directors (thousands of euros)</b>	0

Remarks

C.1.14 Identify the members of the company's senior management who are not executive directors and state the total remuneration accrued by them during the financial year:

Individual or company name	Position/s:
Mr. Manuel de la Flor Riberas	General Manager of Human Resources and Organisation

Mr. David Vázquez Pascual	General Manager of Legal, Tax and Corporate Governance
Mrs. Carmen de Pablo Redondo	Chief Financial Officer
Mr. Mario Eikelmann	Manager of the Chassis Business Unit and Sales Director of BIW
Mr. Fernando Macias Mendizabal	Manager of South Europe Division
Mr. Manuel López Grandela	Manager of the Mercosur Division
Mr. Juan Miguel Barrenechea Izarzugaza	Manager of the North America Division
Mr. Kevin Stobbs	Manager of the Asia Division
Mr. Torsten Greiner	Manager of the Business Mechanism Unite (Edscha)
Mr. Mario Eikelmann	Manager of the Chassis Business Unit and Sales Director of BIW

<b>Total senior management remuneration (in thousands of euros)</b>	6,640
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<b>Remarks</b>
The total remuneration figure for Senior Management also includes the remuneration paid to Mr. Miguel Escrig Meliá who ceased to be member of the Company's Management Committee during the year in question.

C.1.15 State whether or not the regulations of the board have been amended during the financial year:

Yes                       No

<b>Description of amendments</b>

C.1.16 State the procedures for the selection, appointment, re-election and removal of directors. Describe the competent bodies, procedures to be followed and the criteria to be used in each procedure.

**Selection**

The aim of the Board of Directors Selection Policy is to establish the criteria, procedures and mechanisms that allow, as a whole, the Board of Directors to bring together sufficient knowledge, skills and experience to ensure appropriate governance of the company at all times.

The selection process of possible directors is to be based on an analysis of the duties and the skills required to adequately meet the profile of knowledge, skills, diversity and knowledge of the Board of Directors, based on that set out in the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors and the Experience, Skills and Knowledge Matrix approved by the Nomination and Compensation Committee on October 31, 2019. The analysis will be undertaken by the Board of Directors,

with advice from the Appointments and Remuneration Committee.

The outcome of such analysis will be set out in a justification report of the Board of Directors and of the Nomination and Compensation Committee. The justification report will be published on calling the General Shareholders' Meeting where the appointment or re-election of each director will be subject to ratification.

According to the needs to cover relating to the Board of Directors that the analysis detects, the Board of Directors, with support or guidance from the Nomination and Compensation Committee, will establish the minimum criteria that a candidate must meet to be considered in the selection process for the purpose of being appointed or re-elected as a member of the Board of Directors.

In the event of appointing Independent Directors, they may be considered as candidates from different external selection sources.

The Nomination and Compensation Committee, pursuant to the conducted prior analysis and establishment of the profile of potential director candidates, will submit a proposal to the Board of Directors regarding the appointment or re-election of Independent Directors and it will draw up a justification report on said proposal and on the proposal of the other directors.

The Board of Directors will analyse the proposal and the justification report submitted by the Nomination and Compensation Committee. It will consider all of the information available for such purpose and it may decide, if appropriate, to submit its own proposal, or that produced by the Nomination and Compensation Committee, to approval of the General Shareholders' Meeting or, if appropriate, to undertake the appointment by means of co-option.

#### **Appointment and re-election**

The appointment and re-election of the members of the Board of Directors is governed under Article 16 and subsequent articles of the Regulations of the Board of Directors of the Company.

In this respect, it corresponds to the General Shareholders' Meeting to appoint and re-elect the members of the Board of Directors, without prejudice to the power of the Board of Directors to appoint members of the Board under its own powers of co-option.

The appointment or re-election of directors will be undertaken at the proposal of the Board of Directors in the case of non-Independent Directors. In the event of appointing or re-electing Independent Directors, the proposal must be undertaken by the Nomination and Compensation Committee. In any case, the referred to proposals must precede the report of the Nomination and Compensation Committee and the report of the Board of Directors.

#### **Removal**

As regards the removal of members of the Board of Directors, Article 20 of the Regulations of the Board of Directors establishes the reasons for which a

director should relinquish his or her position. Directors who step down from their position before the end of their term in office, shall send a letter setting out their reasons for such move to all of the members of the Board (as stated in section C.1.19 of this report). Without prejudice to the publication of the resignation as a relevant fact, the reason for it shall be provided in this report. Furthermore, said Article sets out the powers of the Board of Directors to propose the removal of its members to the General Shareholders' Meeting. As regards Independent Directors, only the Board of Directors may propose their removal, before the expiry of the term under the Bylaws for which they were appointed, when there is just cause, a takeover bid, merger or another similar corporate transaction that entails a change in the capital structure, and prior report of the Nomination and Compensation Committee.

C.1.17 Explain the extent to which the annual assessment of the board has led to significant changes in its internal organisation and the procedures applicable to its activities:

Description of amendments

Pursuant to Article 36 of the Regulations of the Company's Board of Directors, the Board shall devote the first of its meetings of the year to evaluating its own functioning in the previous year and, where appropriate, adopting an action plan to correct any aspects seen to be of scant functionality. Furthermore, the Board of Directors shall also assess (i) the undertaking of its functions by the Chairman of the Board of Directors and, should the position be held by a different person, by the chief executive of the Company, based on the report submitted to them by the Nomination and Compensation Committee; as well as (ii) the functioning of the Committees of the Board of Directors, based on the report they submit to it.

In this regard, the Nomination and Compensation Committee, at the request of the Chairman of the Board of Directors, began the coordination of the annual evaluation of the Board of Directors at its meeting on 22 October 2018, the results and action plan of which were addressed by the Board of Directors at its first meeting in 2019. In this respect, the action plan approved by the Board of Directors in relation to the result of the evaluation corresponding to financial year 2018 includes some recommendations to be carried out in 2019, some of which imply changes in the internal organisation and procedures applicable to its activities. Therefore, an indicative deadline has been officially set for the distribution of the documentation required to prepare the meetings of the Board of Directors, methods permitting the attendance of Directors who, exceptionally, cannot attend in person will be improved and the fulfilment of the diversity principle stated in the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors will be monitored by the Nomination and Compensation Committee.

Describe the evaluation process and the areas evaluated by the board of directors assisted, where appropriate, by an external consultant, regarding the operation and composition of the board and its committees and any other area

or aspect that has been subject to evaluation.

The evaluation process of the Company's Board of Directors began on 22 October 2018 and was coordinated by the Nomination and Compensation Committee, at the request of the Chairman of the Board of Directors. To this end, the Nomination and Compensation Committee approved an evaluation form that was provided to all the Company's Directors so that they could submit it completed within a specified period of time. The areas evaluated were as follows:

- Quality and efficiency of the Board of Directors.
- Diversity in the composition and functions of the Board of Directors.
- Performance of the Chairman of the Board of Directors.
- Performance of the CEO of the Company.
- Performance of the Secretary of the Board of Directors.
- Functioning and composition of the Audit Committee.
- Functioning and composition of the Nomination and Compensation Committee.

On 3 December 2019, the results of the evaluation of the Audit Committee were presented. On 16 December 2019 the results of the evaluation were presented to the Nomination and Compensation Committee, as well as those regarding the evaluation of the Board of Directors, the Chairman of the Board of Directors, the CEO and the Secretary of the Board. After analysing the results, each of the Committees issued a report on the evaluation. In addition, the Nomination and Compensation Committee has approved an action plan to be presented at the first meeting of the Board of Directors in 2020 together with the reports issued by each of the Committees, in line with the provisions of Article 36 of the Board of Directors' Regulations.

C.1.18 For any years where the evaluation was assisted by an external consultant, list the business relationships between the consultant or any company in their group and the company or any company of its group.

Not applicable since the evaluation was not carried out with the help of an external consultant.

C.1.19 State the circumstances under which the resignation of directors is mandatory.

As set out in Article 20 of the Regulations of the Board of Directors, directors shall relinquish their position in the following events:

- when the post, position or duties to which their appointments as Executive Directors were associated come to an end;
- in the case of proprietary directors, when the shareholders they represent dispose of their ownership interest in its entirety, or they do so in the number that would correspond in the event that said



shareholders reduce their ownership interest in the Company;

- in the case of Independent Directors, when an event unexpectedly arises that prevents them, pursuant to the law, from continuing in their positions;
- when they are subject to any legally established incompatibility or prohibition;
- when the Board requests it with a member majority of at least two-thirds:
  - when, having breached their obligations as directors, they are seriously reprimanded by the Board, prior proposal or report of the Nomination and Compensation Committee; or
  - when their continuance on the Board puts the interests of the Company at risk;
- when they no longer have the honour, suitability, solvency, competence, availability or commitment to their duties to be a director of the Company. In particular, it is understood that this circumstance arises in the event the director is being investigated, indicted or tried in criminal proceedings for any offence and it is as such acknowledged by the Board of Directors, prior report of the Nomination and Compensation Committee, according to the social interest.

C.1.20 Are qualified majorities, different from the statutory majorities, required to adopt any type of decision?

Yes

No

If so, describe the differences.

Description of the differences

C.1.21 Explain whether or not there are specific requirements, other than the requirements relating to directors, to be appointed chairman of the board of directors.

Yes

No

Description of requirements

Neither the By-laws nor the Regulations of the Board of Directors establishes specific requirements different from those relating to directors being appointed as Chairman of the Board of Directors. However, in accordance with the provisions in the Board of Directors Selection Policy, it must ensure

the capacity of candidates, standing for the position of Chairman of the Board of Directors, in terms of undertaking the position and, in particular, of undertaking the duties relating to the organisation and functioning of the Board of Directors.

C.1.22 State whether or not the articles of association or the regulations of the board set forth any age limit for directors:

Yes  No

	<b>Age limit</b>
<b>Chairman</b>	
<b>CEO</b>	
<b>Board Member</b>	
<b>Remarks</b>	

C.1.23 State whether or not the articles of association or the regulations of the Board establish any limit on the term of office or any other stricter requirements in addition to those legally stipulated for independent directors, other than what is established in the regulatory provisions:

Yes  No

<b>Additional requirements and / or maximum number of terms</b>	8
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C.1.24 State whether or not the articles of association or the regulations of the Board set out any specific rules for proxy-voting by means of other directors at meetings of the board of directors, the manner of doing so, and especially the maximum number of proxies that a director may hold, as well as whether or not any restriction has been established regarding the categories of directors to whom proxies may be granted beyond the restrictions imposed by law. If so, briefly describe such rules.

Pursuant to Article 19 of the Articles of Association and Article 36 of the Regulations of the Board of Directors, in the event that the directors cannot attend sessions of the Board of Directors in person, they may delegate their vote to another Director, together with the appropriate instructions, by means of a letter addressed to the Chairman.

In this respect, such representation shall be specially granted for each session through any of the means envisaged for the calling of meetings of the Board of Directors and the Chairman shall decide, where doubt exists, on the validity of the proxies granted by directors who do not attend the session.

Non-Executive Directors may only delegate their representation to another non-Executive Director.

C.1.25 State the number of meetings that the board of directors has held during the

financial year. In addition, specify the number of times the board has met, if any, at which the chairman was not in attendance. Proxies granted with specific instructions shall be counted as attendance.

<b>Number of meetings of the board</b>	7
<b>Number of meetings of the board at which the chairperson was not in attendance</b>	0

<b>Remarks</b>

State the number of meetings held by the coordinating director with the other directors, without the attendance or representation of any executive director:

<b>Number of meetings</b>	0
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<b>Remarks</b>

State the number of meetings held by the different committees of the board of directors during the financial year:

<b>Number of meetings of the Executive or delegated Committee</b>	N/A
<b>Number of meetings of the Audit Committee</b>	9
<b>Number of meetings of the Appointments and Remuneration Committee</b>	7
<b>Number of meetings of the Appointments Committee</b>	N/A
<b>Number of meetings of the Remuneration Committee</b>	N/A
<b>Number of meetings of the Committee _____</b>	N/A

C.1.26 State the number of meetings that the board of directors has held during the financial year and the data regarding member attendance:

<b>Number of meetings attended in person by at least 80% of the directors</b>	7
<b>% personal attendance out of total votes during the financial year</b>	96.39%
<b>Number of meetings attended in person, or by representatives with specific instructions, by all directors</b>	7
<b>% votes cast with personal attendance and representatives with specific instructions, out of the total votes during the financial year</b>	100%

<b>Remarks</b>

C.1.27 State whether or not the annual individual accounts and the annual consolidated accounts that are submitted to the board for approval are previously certified:

Yes  No

Identify, where applicable, the person(s) that has(have) certified the individual and consolidated financial statements of the company for preparation by the board:

<b>Name</b>	<b>Position</b>
Mr. Miguel Escrig Meliá	Chief Financial Officer

<b>Remarks</b>
In accordance with Article 11.1 of the Regulations of the Company's Board of Directors, the Company's individual and consolidated financial statements are previously certified regarding their completeness and accuracy by the Company's Chief Financial Officer, with the approval of the Chairman. In this regard, the individual and consolidated financial statements for financial year 2018, prepared by the Board of Directors on 28 February 2019, were certified by Mr. Miguel Escrig Meliá, who at that time held the position of Chief Financial Officer of the Group.

- C.1.28 Explain the mechanisms, if any, adopted by the board of directors to avoid any qualifications in the audit report on the individual and consolidated financial statements prepared by the board of directors and submitted to the shareholders at the general shareholders' meeting.

In accordance with the provisions under Article 15 and 40 of the Regulations of the Board of Directors of the Company, the Board of Directors shall seek to definitively prepare the financial statements in such a way that there is no qualification or reservation whatsoever by the auditors. However, when the Board of Directors considers that its criteria should be maintained, the Chairman of the Audit Committee shall explain to the shareholders the content and scope of said qualifications or reservations at the corresponding General Shareholders' Meeting where the financial statements are submitted for approval.

Furthermore, among the duties of the Audit Committee of the Company that are set out in Article 40 of the Regulation of the Board of Directors, is the duty of informing the Board of Directors on the financial information that, due to its listed status, the Company must periodically make public, as well as the duty of supervising the preparation process, integrity and presentation of regulated financial reporting on the Company, checking that regulatory requirements are met and accounting criteria are correctly applied, thereby increasing the likelihood that there are no reservations in the annual audit reports.

Furthermore, during the year the Audit Committee and its Secretary have held meetings with the external auditor without the presence of the Management to ensure the auditing process of the individual and consolidated financial statements is undertaken correctly.

- C.1.29 Is the secretary of the board a director?

Yes

No

If the secretary is not a director, complete the following table:

Individual or company name of the secretary	Representative
Mr. David Vázquez Pascual	N/A
Remarks	

C.1.30 State the specific mechanisms established by the company to preserve the independence of the external auditors and also the mechanisms, if any, to preserve the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

The Company has established diverse mechanisms aimed at preserving the necessary independence of the auditor. Among them is one of the fundamental competencies of the Audit Committee (exclusively comprised by non-Executive directors, who were appointed based on their knowledge and experience in accounting, auditing and risk management, and with the majority of independent directors –including the Chairman–), which consists of monitoring the independence of the auditor and, particularly, of receiving information on matters that could put such audit at risk.

For such purpose, Article 40 of the Regulations of the Board of Directors establishes that the Audit Committee is entrusted with the following duties:

- Submitting proposals on the selection, appointment, re-election and replacement of the auditor.
- Receiving information and studying issues that may put the independence of the auditor at risk.
- Issuing once a year, prior to issuance of the auditor’s report, a report expressing an opinion about the independence of the auditor of the financial statements. It must also expressly discuss the additional services provided by the auditor.

For that purpose, and in any case, the Audit Committee shall receive from the auditor the written confirmation of his or her independence in relation to the Company or to the companies connected with it, whether directly or indirectly, as well as detailed and itemised information on any kind of additional services provided and on the corresponding fees (including those provided by persons or companies connected to them), pursuant to the provisions in the legislation on the auditing of financial statements.

Furthermore, the Company has implemented mechanisms that govern the relationships of the Board of Directors with the auditor of the financial statements, ensuring that his or her independence is strictly respected. As established in Article 15 of the Regulation of Board of Directors:

- The Boards relationship with the auditor of the Company's financial statements and of the group's consolidated statements, shall be channelled through the Audit Committee.

- To prevent the work-related remuneration of external auditors from compromising their quality and independence, the Board of Directors shall not propose the hiring of auditing firms when the fees envisaged (for all concepts) exceed ten per cent of the revenue of said firm in Spain in the previous financial year.
- The Board of Directors shall seek to shall seek to definitively prepare the financial statements without qualifications or reservations of the auditor; however, when the Board of Directors considers that its criteria should be maintained, the Chairman of the Audit Committee shall explain to the shareholders the content and scope of such qualifications or reservations at the corresponding General Shareholders' Meeting where the financial statements are submitted for approval.
- The plenary session of the Board of Directors shall hold a meeting once a year with the auditor of the financial statements, in which the auditor shall report on the work undertaken, the evolution of the accounting situation and the risks to the Company.

Also, in compliance with the recommendations set out in Technical Guide 3/2017 of the National Securities Market Commission on audit committees of public interest entities, the Audit Committee, in its meeting on 28 June 2018, approved the Policy for the approval of services by the external auditor other than the auditing of the Company's financial statements which is intended as a series of criteria and procedures for the approval of non-prohibited services other than the auditing of financial statements provided by the external auditor.

In relation to the mechanisms established to preserve the independence of financial analysts, investment banks and rating agencies, on 17 December 2018, Board of Directors of the Company approved the Policy on Communication and Contact with Shareholders, Investors and Voting Advisors which (i) establishes the basic principles that are to govern the Company's communication and contacts with its shareholders, institutional investors, voting advisors and other stakeholders, such as intermediary financial institutions, managers and depositories of the Company's shares, financial analysts, regulatory and supervisory bodies, rating agencies, information agencies and such like, and (ii) defines the communication channels that the Company makes available to them to maintain communication that is efficient, transparent and ongoing.

Furthermore, the Company has an Investor Relations Department which continuously deals with queries and recommendations from analysts and investors, rating agencies, bondholders, as well as those made by socially responsible investors (SRI). A telephone number and email address have been set up for such purpose.

C.1.31 State whether or not the Company has changed the external auditor during the financial year. If so, identify the incoming and the outgoing auditor:

Yes  No

Outgoing auditor	Incoming auditor

Remarks

If there has been any disagreement with the outgoing auditor, provide an explanation:

Yes                       No

Description of the disagreement

C.1.32 State whether or not the audit firm performs other non-audit work for the company and/or its group. If so, state the amount of the fees paid for such work and the percentage they represent of the aggregate fees charged to the company and/or its group:

Yes                       No

	Company	Companies of the Group	Total
<b>Amount of other non-audit work (thousands of euros)</b>	10	1,059	1,069
<b>Amount of non-audit work / Amount of audit work (in %)</b>	2%	24%	21%

Remarks
The total amount of the audit work for the Company amounts to 5,065 thousands of euros and includes fees related to (i) the legal audit of the individual and consolidated annual financial statements of the Group (ii) the limited review of the Financial Report for the first 6 months of 2019, (iii) the review of the non-financial information of the consolidated management report for the year 2019 and (v) some ratio reports and agreed procedures.

C.1.33 State whether the audit report on the financial statements for the prior financial year has observations or qualifications. If so, state the reasons given to the general meeting by the chairperson of the audit committee to explain the content and scope of such observations or qualifications.

Yes                       No

Explanation of reasons

C.1.34 State the consecutive number of years for which the current audit firm has been auditing the financial statements of the company and/or its group. In addition, state the percentage represented by such number of financial years audited by the current audit firm with respect to the total number of financial years in which the statements have been audited:

	<b>Individual</b>	<b>Consolidated</b>
<b>Number of continuous financial years</b>	21	18

	<b>Individual</b>	<b>Consolidated</b>
<b>Number of years audited by the current audit firm / Number of years that the company or its group has been audited (%)</b>	95%	100%

<b>Remarks</b>

C.1.35 State whether or not there is any procedure for directors to obtain in good time the information required to prepare for meetings of management-level decision-making bodies and, if so, describe it:

Yes  No

<b>Describe the procedure</b>

As set out in Article 36 of the Regulations of the Board of Directors, annual meetings of the Board of Directors shall be convened with at least five (5) days' notice before the meeting is to be held. However, normally the sessions of the Board of Directors of the Company are called with a more extensive time margin than that stated in the Regulations of the Board of Directors.

The agenda of the session, the date and place will always be included in the call of each meeting. The relevant documentation required so that the members of the Board can formulate their opinion and, if appropriate, cast their vote regarding the matters submitted for their consideration, is to be made available as soon as possible.

In this regard, in accordance with the provisions of Articles 19 of the Articles of Association and 30 and 34 of the Regulations of the Board of Directors, the person responsible for ensuring that the Directors receive all the necessary information in sufficient time and in the appropriate format is the Chairman of the Board of Directors, with the collaboration of the Secretary.

Furthermore, Article 22 of the Regulation of the Board of Directors establishes the duty of directors to sufficiently find out about and prepare for meetings of the Board and of the delegated bodies to which they belong, seeking sufficient information for it and the collaboration or assistance that they deem appropriate, which is to be paid for by the company.

In addition, Article 27 of the Regulations of the Board of Directors grants Directors the power to study the documentation deemed necessary, contact the heads of the departments affected and visit the corresponding facilities.



For that purpose, the request shall be channelled through the secretary of the Board of Directors. Should it be rejected, delayed or incorrectly handled, it will be sent to the Audit Committee. In the event that said request is unnecessary or hinders the interests of the Company, it shall be definitively rejected.

- C.1.36 State whether or not the company has established any rules requiring directors to inform the company —and, if applicable, resign from their position— in cases in which the credit and reputation of the company may be damaged:

Yes  No

<b>Explain the rules</b>

Pursuant to the provisions under Article 22 of the Regulations of the Board of Directors, among the duties of directors, is the duty to notify the Company of any type of judicial or administrative claim, or any other, in which they are involved that, due to its importance, could have a serious impact on the reputation of the Company. In particular, all directors shall inform the Company if they are being investigated, indicted or tried in criminal proceedings for any offence and if any significant events relating to said proceedings occur.

Furthermore, Article 20 of the Regulation of the Board of Directors establishes the obligation of directors to relinquish their position and to formalise, if applicable, the corresponding resignation, when they no longer have the honour, suitability, solvency, competence, availability or commitment to their duties to be a director of the Company. In particular, it is understood that this circumstance arises in the event the director is being investigated, indicted or tried in criminal proceedings for any offence and it is as such acknowledged by the Board of Directors, prior report of the Nomination and Compensation Committee, according to the social interest.

- C.1.37 State whether or not any director of the Board of Directors has notified the company that he or she has been indicted or tried in proceedings for any of the offences provided for under Article 213 of the Spanish Companies Act:

Yes  No

Name of director	Criminal case	Remarks

State whether or not the board of directors has analysed the case. If so, provide a duly substantiated explanation of the decision adopted regarding whether or not the director should remain in office or, if applicable, describe the actions taken by the board of directors up to the date of this report or those that it plans to take.

Yes  No

Decision made / action taken	Duly substantiated explanation

C.1.38 Describe any significant agreements entered into by the company that take effect, are amended, or terminate in the event of a change in control of the company as a result of a takeover bid, and the effects thereof.

There are none.

C.1.39 Identify, on an individual basis in reference to directors, and on an aggregate basis for all other cases, and provide a detailed description of the agreements between the company and its management level and decision-making positions or employees that provide for compensation, guarantee or “golden parachute” clauses upon resignation or termination without cause, or if the contractual relationship is terminated as a result of a takeover bid or other type of transaction.

**Number of beneficiaries:** 1

**Type of beneficiary:**

Senior Management

**Description of agreement:**

A member of Senior Management in the Company is to receive a 12-month notice period in the event that the Company terminates the working relationship or, alternatively, severance pay equivalent to the sum of remuneration corresponding to one year's fixed and variable salary, which was in effect on the date of termination.

**Number of beneficiaries:** 1

**Type of beneficiary:**

CEO (Mr. Francisco López Peña)

**Description of agreement:**

Gross severance equivalent to two (2) years of the fixed and variable remuneration that was in effect on the date of termination, when it arose through a unilateral decision of the Company.

**Number of beneficiaries:** 1

**Type of beneficiary:**

CEO (Mr. Francisco Riberas Mera)

**Description of agreement:**

Gross severance equivalent to two (2) years of the fixed and variable remuneration that was in effect on the date of termination, when it arose through a unilateral decision of the Company.

State whether or not, beyond the cases set out in the regulations, such agreements have to be reported and/or approved by the decision-making bodies of the company or its group. If so, specify the procedures, cases set out and the nature of the decision-making bodies responsible for approving or reporting them:

	Board of directors	General Shareholders' Meeting
<b>Decision-making body</b>	Yes	No

approving the provisions		
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	<b>Y E S</b>	<b>NO</b>
<b>Is the General Shareholders' Meeting informed of such provisions?</b>		x

<b>Remarks</b>

**C.2 Committees of the board of directors**

C.2.1 Describe all of the committees of the board of directors, the members thereof, and the proportion of executive, proprietary, independent, and other external directors of which they are comprised:

**EXECUTIVE COMMITTEE**

Name	Position	Category

<b>% executive directors</b>	
<b>% proprietary directors</b>	
<b>% independent directors</b>	
<b>% other external</b>	

<b>Remarks</b>

Explain the functions delegated or attributed to this committee other than those already described in section C.1.10, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

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**AUDIT COMMITTEE**

Name	Position	Category
Mr. Javier Rodríguez Pellitero	Chairman	Independent
Mr. Juan María Riberas Mera	Member	Proprietary
Ms. Ana García Fau	Member	Independent

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<b>% proprietary directors</b>	33.33%
<b>% independent directors</b>	66.67%
<b>% other external</b>	0%

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

The procedures and rules for the organisation and functioning of the Audit Committee are set out in Article 20 of the Articles of Association and Article 39 of the Regulations of the Board of Directors. Furthermore, Article 20 of the Articles of Association and Article 40 of the Regulations of the Board of Directors regulate the functions of the Audit Committee. For further information, see note included in Section H.

In relation to the activities carried out by the Audit Committee and how each of its functions has effectively been performed in financial year 2019, it will draw up an activity report which, as established in Article 39 of the Regulations of the Board of Directors, shall be submitted for approval to the Board of Directors and published on the website whenever the General Shareholders' Meeting is held. The activities carried out by the Audit Committee during 2019 include, among others:

- the review and favourable report of the financial statements and the individual and consolidated management reports of the Company and its Group, as well as the non-financial information contained in the management report of the consolidated financial statements, for 2018;
- the oversight and review of the preparation and presentation process of regulated financial information (quarterly and half-yearly), both individual and consolidated for the year 2019.
- Review of developments on IFRS and Spanish General Audit Plan.
- the review and favourable report on the liquidity situation prepared by the Board of Directors in the context of the dividend charged to the 2019 profits approved on 16 December 2019;
- establishing the appropriate relationship with the external auditor with whom a meeting has been held on four occasions during the year in question in order to receive information on the progress of the audit and limited review work and the most relevant aspects of both;
- the approval of the of services by the external auditor other than auditing and the mandatory report on the independence of the external auditor;
- periodical monitoring of the activities performed during the year by the Internal Audit Department and approval of the Internal Audit Plan and the corresponding budget for the year 2020;
- the oversight and periodic review of the Internal Control Over Financial Reporting system (hereinafter ICFRS) and the approval of its scope matrix for financial year 2019-2020;
- the oversight and periodic review of internal risk control and management systems through the re-evaluation of the corporate risk map and updating of the risk assessment scales;

- reporting to the Board of Directors on related party transactions;
- the proposal submitted for the approval of the Board of the Human Rights Policy of the Gestamp Group;
- the approval of the Sustainability Plan;
- the review and approval of the Group's Sustainability Report for financial year 2018;
- monitoring of the Code of Conduct and the functioning of the Whistle-blower Channel;
- approval of a new Manual on Crime Prevention;
- the issuance of the evaluation report of the Audit Committee for the approval of the Board of Directors;
- the Internal Audit Function assessment, and
- the review an favourable report on the Annual Report on the Remuneration of Directors for the year 2019.

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Identify any directors who are members of the audit committee and who have been appointed taking into account their knowledge and experience in the areas of accounting, auditing, or both, and report the date of appointment of the Chairperson of this committee.

<b>Name of directors with experience</b>	Ms. Ana García Fau
	Mr. Javier Rodríguez Pellitero
	Mr. Juan María Riberas Mera
<b>Date of appointment of the current chairperson</b>	24/03/2017

<b>Remarks</b>

#### APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
Mr. Alberto Rodríguez-Fraile Díaz	Chairman	Independent
Mr. Gonzalo Urquijo Fernández de Araoz	Member	Other external directors
Mr. Pedro Sainz de Baranda	Member	Independent

<b>% proprietary directors</b>	0%
<b>% independent directors</b>	66.67%
<b>% other external</b>	33.33%

<b>Remarks</b>

Explain the functions, including, where appropriate, any extra ones provided

for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

The procedures and rules for the organisation and functioning of the Nomination and Compensation Committee are set out in Article 21 of the Articles of Association and Article 39 of the Regulations of the Board of Directors. Furthermore, Article 20 of the Articles of Association and Article 41 of the Regulations of the Board of Directors regulate the functions of the Nomination and Compensation Committee. For further information, see note included in Section H.

In relation to the activities carried out by the Nomination and Compensation Committee and how each of its functions has effectively been performed in financial year 2019, it will draw up an activity report which, as established in Article 39 of the Regulations of the Board of Directors, shall be submitted for approval to the Board of Directors and published on the website whenever the General Shareholders' Meeting is held. The activities carried out by the Nomination and Compensation Committee during 2019 include, among others:

- the favourable reports on the dismissal of Mr. Tomofumi Osaki and Mr. Geert Maurice van Poelvoorde as Directors and on the appointment by co-optation of Mr. Katsutoshi Yokoi and Mrs. Concepción Rivero Bermejo as Directors;
- the approval of the Experience, Skills and Knowledge Matrix;
- favourable report on the dismissal and appointment of Senior Managers;
- verification of the degree of achievement of the 2018 objectives in relation to the variable component of the remuneration of Executive Directors and the Management Committee, as well as the result of this component;
- proposing objectives in relation to the variable component of the remuneration of Executive Directors and the Management Committee for 2019;
- evaluation of compliance with the Company's Remuneration Policy and with the Policy for the Selection of the Board of Directors during 2019;
- the proposal for the new Directors' Remuneration Policy approved by the Annual General Shareholders' Meeting on 6 May 2019;
- review and proposal of the new Long Term Incentive Plan approved by the Board on 16 December 2019;
- the coordination of the evaluation of the Board of Directors, its Committees the CEO and the Secretary of the Board, together with the Coordinating Director, the Chairman of the Board of Directors, and the preparation of the required reports for approval by the Board of Directors;
- the Proposal of the Chairman and the CEO Succession Plan approved by the Board on 6 May 2019, and
- the review and favourable report on the 2018 Annual Report on Directors' Remuneration approved in a consultative manner by the Annual General Meeting on 6 May 2019, and the review of the content of the 2018 Annual Corporate Governance Report in all sections within its

remit.

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**APPOINTMENTS COMMITTEE**

<b>Name</b>	<b>Position</b>	<b>Category</b>

<b>% proprietary directors</b>	
<b>% independent directors</b>	
<b>% other external</b>	

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

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**REMUNERATION COMMITTEE**

<b>Name</b>	<b>Position</b>	<b>Category</b>

<b>% proprietary directors</b>	
<b>% independent directors</b>	
<b>% other external</b>	

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

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**COMMITTEE \_\_\_\_\_**

Name	Position	Category

<b>% executive directors</b>	
<b>% proprietary directors</b>	
<b>% independent directors</b>	
<b>% other external</b>	

Explain the functions, including, where appropriate, any extra ones provided for by law, attributed to this committee, and describe the procedures and rules for its organisation and functioning. For each of these functions, state the most important actions carried out during the year and how each of the functions attributed, whether by law, in the articles of association or other corporate resolutions, have effectively been performed.

C.2.2 Complete the following table with information on the number of female directors on the committees of the board of directors at the end of the last four financial years:

	Number of female directors							
	Year t		Year t-1		Year t-2		Year t-3	
	Number	%	Number	%	Number	%	Number	%
<b>Executive Committee</b>	0		0		0		0	
<b>Audit Committee</b>	1	(33.33%)	1	(33.33%)	1	(33.33%)	0	
<b>Appointments and remuneration committee</b>	0	(0%)	0	(0%)	0	(0%)	0	
<b>appointments committee</b>	0		0		0		0	
<b>remunerati on committee</b>	0		0		0		0	
<b>committee _____</b>	0		0		0		0	

Remarks



- C.2.3 State, where applicable, the existence of regulations of the board committees, where such regulations can be consulted, and any amendments made during the financial year. Also state if any annual report of the activities performed by each committee has been voluntarily prepared.

The Regulations of the Board of Directors thoroughly regulate the rules of composition and functioning, as well as the responsibilities of both the Audit Committee and the Nomination and Compensation Committee.

In favour of greater simplicity, avoiding duplications and aiming to facilitate comprehension and application, a comprehensive regulation integrated into the Regulations of the Board of Directors has been chosen as opposed to a specific regulation for each Committee.

Given that the Regulations of the Board of Directors were approved in 2017 including all of the requirements laid down by the legislation in force, so far there has been no need to amend its text.

The current Regulations of the Board of Directors may be consulted on the company's website ([www.gestamp.com](http://www.gestamp.com)) in the sections "Investors and Shareholders", "Corporate Governance", "Board of Directors" and "Regulations of the Board".

Likewise, the Regulations of the Board of Directors are registered, and therefore available to interested party, in the National Securities Market Commission, and in the Trade Registry of Biscay.

The activities reports are drawn up by the respective Committees and approved by the Board of Directors to be made available to shareholders at the Annual General Shareholders' Meeting, in accordance with the provisions contained in article 39 of the Regulations of the Board of Directors.

**D RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS**

D.1 Explain, where applicable, the procedure and competent bodies for approving related party and intragroup transactions.

<b>Procedure for communicating the approval of related-parted transactions</b>

Article 8 of the Regulations of the Board of Directors assigns the Company's Board of Directors, among other duties, the responsibility of approving transactions that the Company, or companies belonging to the Group, performs with Directors, major shareholders or shareholders represented in the Board of Directors of the Company or of other companies belonging to the Group, or with persons related to them, following a favourable report from the Audit Committee, and with the abstention of the affected directors, except for exempt cases set out in the legislation in force.

Moreover, on 21 March 2017, Acek Desarrollo y Gestión Industrial, S.L., Gonvarri Corporación Financiera, S.L. and the Company signed the Protocol for Regulating Transactions with Related Parties of Gestamp Automoción, S.A. and its Subsidiaries. This agreement incorporates the general framework that regulates the relations of the Company and its subsidiaries, with its related parties, particularly the group of companies led by parent company Acek Desarrollo y Gestión Industrial, S.L. In this regard, the protocol defines the principles that all related-party transactions must follow, as well as the approval procedure for these transactions, which is the same as that set out in Article 529 III of the Companies Act.

D.2 Describe the significant transactions in terms of amount or subject matter made between the company or entities belonging to its group, and the company's major shareholders:

<b>Individual or company name of significant shareholder</b>	<b>Individual or company name of the company or entity within its group</b>	<b>Nature of the relationship</b>	<b>Type of transaction</b>	<b>Amount (thousands of euros)</b>
Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	Contractual	Services received	7,337
Acek Desarrollo y Gestión Industrial, S.L.	Acek Desarrollo y Gestión Industrial, S.L.	Contractual	Unpaid interest due	1,138
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Purchase of goods, whether finished or not	1,466,114
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Sale of goods, whether finished or not	26,600
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Services received	26,217

Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Services rendered	2,388
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Holding Gonvarri, S.L.	Contractual	Unpaid interest due	1,031
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Sideacero, S.L.	Contractual	Sale of goods, whether finished or not	216,737
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Sideacero, S.L.	Contractual	Services received	2,730
Acek Desarrollo y Gestión Industrial, S.L.	Grupo Sideacero, S.L.	Contractual	Services rendered	204
Acek Desarrollo y Gestión Industrial, S.L.	Inmobiliaria Acek, S.L.	Contractual	Services received	2,479
Acek Desarrollo y Gestión Industrial, S.L.	Air Executive, S.L.	Contractual	Services received	273

Remarks

D.3 Describe the insignificant transactions in terms of amount or subject matter made between the company or entities belonging to its group, and the company's directors or officers:

Individual or company name of the directors or officers	Individual or company name of related party	Relation	Nature of the transaction	Amount (thousands of euros)
Mr. Francisco López Peña	N/A	Loan	Financing agreements: Loans.	3,000

D.4 Report on the significant transactions made by the company with other entities belonging to the same group, provided they are not eliminated in the preparation of the consolidated financial statements and they are not part of the ordinary course of business of the company insofar as their purpose and conditions are concerned.

In any case, report any intragroup transaction carried out with entities established in countries or territories considered to be tax havens:

Name of entity within the group	Brief description of transaction	Amount (thousands of euros)

D.5 Give details of any significant transactions carried out between the company or

entities in its group and other related parties that have not been disclosed under the previous headings.

Company name of related party	Brief description of transaction	Amount (thousands of euros)

Remarks

- D.6 Describe the mechanisms used to detect, determine, and resolve potential conflicts of interest between the company and/or its group, and its directors, executives, or significant shareholders.

Article 22 of the Regulation of the Board of Directors establishes 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, further to the communication duty of each Director in the event of a conflict of interest, on the occasion of the preparation of the annual accounts and the financial information for the first six months of the year, Directors must complete a form in which they state the existence of any conflict of interest between them and the Company.

Furthermore, Articles 21, 24, 25 and 26 of the Regulations the Board of Directors govern the duties of the directors as regards their abstention duty, non-competence, the use of non-public information and of company assets and the benefitting of business opportunities. Furthermore, those articles govern the Company's system of exemption, which shall be agreed at the General Shareholders' Meeting or by the Board of Directors, as appropriate, under the provisions set out in the Companies Act, the By-laws or in the Regulations of the Board of Directors of the Company.

With regard to the Senior Management, as stated in the Internal Code of Conduct in the Securities' Markets of the Company, they must act with loyalty, refrain from intervening or influencing in the decision making on those matters where they are conflicted, and not to access confidential information related to such conflict.

- D.7 Is more than one company of the group listed in Spain?

Yes  No

Identify the subsidiaries listed in Spain and their relationship with the company:

Identity and relationship with other listed companies in the group

State whether they have publicly and accurately defined their respective areas of activity and any business dealings between them, as well as between the listed subsidiary and other group companies.

Yes  No

<b>Describe the possible business relationships between the parent company and the listed subsidiary, and between the subsidiary and the other companies within the group</b>

Identify the mechanisms established to resolve possible conflicts of interest between the listed subsidiary and the other companies with the group:

<b>Mechanisms to resolve possible conflicts of interests</b>

**E****RISK CONTROL AND MANAGEMENT SYSTEMS****E.1 Explain the scope of the company's Risk Management System, including the system for managing tax risks.**

The Group carries out its activities in many countries and regulatory, political and socio-economic environments, whereby it is exposed to different types of risks (strategic, operational, financial, regarding compliance and reporting) that can affect its performance and which, consequently, should be mitigated in the most effective way possible, with the aim of facilitating fulfilment of strategies and targets set.

In this regard, the Group has a Comprehensive Risk Management System (hereinafter SIGR) at corporate level that identifies, monitors and responds to the different types of financial and non-financial risks to which the Group is exposed, including within the category of financial or economic risks, those related to tax, contingent liabilities and other off-balance risks.

This SIGR, which the Group continued to develop and evolve in 2019, is based on the COSO ERM—Enterprise Risk Management—model (a systematic and detailed approach that helps identify occurrences, evaluate, prioritise and respond to risks related to achieving business objectives), and in the good practices referred to in the Code of Good Governance for Listed Companies and in Technical Guide 3/2017 on Audit Committees of Public Interest Entities.

In order to facilitate and promote effective, comprehensive and uniform management, the Group established the Comprehensive Risk Management System Policy (hereinafter “SIGR Policy”), the implementation of which extends to all companies belonging to the Group. Its scope covers all activities, processes, projects and business lines, as well as all geographical areas in which it operates.

The SIGR Policy, approved by the Board of Directors on 14 December 2017, covers the organisation, procedures and resources available to the Group to reasonably and effectively manage the risks to which it is exposed, thus making risk management an intrinsic part of the organisation's decision-making processes in terms of both the governance and administrative bodies and the management of operations. The policy identifies diverse risk categories, details the basic principles and guidelines for action that must be observed in risk management and control, specifies the bodies in charge of ensuring that the internal control and risk management systems function properly, defines their roles and responsibilities and the level of risk deemed acceptable.

In addition, the Group has a SIGR Corporate Procedure, approved by the Operational Risk Committee (hereinafter, “CRO”), dated 19 November 2018. This Procedure establishes the basic guidelines for the identification, assessment, management, response and reporting of different risks from each of the organisational areas.

The Group has a Corporate Risk Map, which is set as a key element of the SIGR, providing an overall picture of the relevant risks of the organisation based on uniform criteria, thus facilitating early identification of any events that could generate them and enabling anticipatory action aimed at preventing or, in the event of occurrence, minimising them. During the 2019 financial year, the Group updated its Corporate Risk Map in order to ensure that it responds to the Company's current situation and indeed represents a management tool that enables decisions to be made in an effective and informed manner.

It should be noted that in addition to corporate risk management, each of the Group's areas carries out more fragmented risk management through its corresponding managers. The work carried out by these managers is included in the Corporate Risk Map through the involvement of the members of the CRO, which is made up of top-

level executives, representatives of the Group's Divisions, Business Units and Corporate Departments.

E.2 Identify the decision-making bodies of the company responsible for preparing and implementing the Risk Management System, including the system for managing tax risks.

The SIGR is a process led by the Company's Board of Directors and Senior Management and is the responsibility of each and every member within the Group. It is designed to provide reasonable assurance when achieving the SIGR targets, providing shareholders, other stakeholders and the general market with an adequate level of guarantee that protects generated value.

Although the SIGR is a process that affects and involves all of the Group's personnel, in accordance with the SIGR Policy approved by the Board of Directors, those entrusted with ensuring its smooth running and its functions are the following:

- The Board of Directors.

It is responsible for approving the SIGR Policy and the levels of risk appetite, as well as periodically monitoring the internal information and risk control systems in order to make sure that they are in line with the Group's strategy.

- The Audit Committee.

It is responsible for periodically supervising and reviewing the internal control and risk management systems, so that the main risks are adequately identified, managed and reported, receiving support in this task from the Internal Audit and Risk Management Department.

- The Risk Committees.

In addition to other committees set up at the level of the different organisational units to monitor specific risks (such as, among others, those associated with project management, information systems and regulatory compliance, including tax compliance); at corporate level there is the CRO and the Executive Risk Committee (CRE), made up of top-level executives, representatives of the Group's Divisions, Business Units and Corporate Departments. It is responsible for supporting the Board of Directors and the Audit Committee in their functions in relation with the control and management of risk. They are responsible for ensuring the proper functioning of the SIGR, as well as identifying, quantifying and managing the most significant risks that have an impact on their respective areas and the Group, ensuring that they remain at an acceptable level.

- Specific Risk Officers.

Their key responsibilities involve identifying and monitoring risks, reviewing the effectiveness of controls, overseeing action plans and collaborating on risks assessment and update.

- The Internal Audit and Risk Management Department.

In accordance with the rules governing the department, approved by the Audit Committee, the Internal Audit Department is responsible for coordinating the Group's risk management, among other things. The following key responsibilities have been set out in the SIGR Policy, in relation to such:

- Audit Committee support,
- coordination of risk identification and assessment processes through the preparation and updating of Risk Maps and

- coordination with the Risk Committees and with those responsible for specific risk management for risk measurement processes, controls, action plans and procedures required to mitigate them.

Within the Group structure, Internal Audit and Risk Management Department reports directly to the Audit Committee, which guarantees autonomy and independence in its functions and in the responsible supervision of the risk control and management system.

**E.3 State the main risks, including tax risks and insofar as those arising from corruption are significant (the latter being understood under the scope of Royal Decree Law 18/2017), which may affect the achievement of the business objectives.**

The Group defines risk as any potential event, internal or external, that may negatively affect the achievement of the objectives regarding the various Group processes and, therefore, the materialisation of the Group's strategic objectives, its methods or its reputation. Given the nature of the sector and the geographical areas in which the Group operates, the organisation is subject to various risks that could impede the attainment of its objectives and the successful execution of its strategies.

The process of identifying and assessing the risks affecting the Group mainly took into account the following risk factors, for which the Group has put in place monitoring and response plans and measures:

- **Operational Risks.** Those related with potential losses or a reduction in activity due to inadequacies or failures in operations, systems, resources or processes:
  - Occupational health and safety risk, in view of the characteristics of activities performed in our plants.
  - Disruption of our customer supply chain due to various factors (both internal and external), such as:
    - supply problems concerning our suppliers,
    - internal business conflicts,
    - prolonged breakdown of machinery, tools or plants,
    - serious accidents and
    - other factors that occur without warning (such as meteorological disasters, earthquakes, floods, etc.).
  - Incidents linked to the quality of our products, with potential repercussions on cost, liability and reputation.
  - Difficulties in hiring or replacing key staff, which is defined as executive staff in strategic positions, as well as highly qualified staff that are a valuable asset to the company.
  - Deviations in the profitability of projects, that could potentially result either in the issuance phase or in the production phase.
  - Security risks concerning computer applications and cyberattacks
- **Strategic Risks.** Those that may arise as a consequence of choosing a specific strategy, as well as those of an external or internal nature that may significantly affect the attainment of objectives, the reputation and/or vision of the Group in the long term. These include:
  - Political and economic instability in the different countries where the Group operates.



- Development, adoption and assurance of the necessary technical skills at industrial level, both in terms of innovations in materials and products as well as in production processes, in an environment which is constantly changing and evolving.
  - The Group's rate of progress towards “Data Driven” management through Industry 4.0 and the digitalisation of business processes in an environment of accelerated change.
  - Climate change and environmental risks: as an integral part of the automotive sector, we believe that our environmental impact must be analysed from the perspective of a vehicle's life cycle beyond the direct impact generated purely in the manufacturing process. Additionally, our stakeholders are showing increased commitment to climate change, among them, OEMs have increased their demand in this regard in the supply chain.
- Reporting Risks. Those related with the reliability in the preparation, collection and presentation of financial and non-financial information, both internal as well as external, relevant to the Group.
  - Compliance Risks. Those related with the strict observance of legislation and regulations (external and internal), including tax-related, that affects the Group in the different markets and geographical areas in which it operates.

The risks associated with the criminal liability of legal entities, the impact of corruption in the different countries where the Group operates and unethical or irregular conduct are considered, among others. This category also includes risks arising from potential legislative and regulatory changes, and the Group's capacity to anticipate and ability to react such.

- Financial Risks. These include financial market risks, as well as contingent liabilities and other off-balance risks. The main risks in this scope to which the Group is exposed are:
  - Fluctuating exchange rates affecting our operations in an international context.
  - Fluctuating interest rates.
  - Fluctuation of the price of raw materials.

#### E.4 Identify whether the entity has a risk tolerance level, including one for tax risk.

The Group, in delivering its vision "*to be the automotive supplier most renowned for its ability to adapt business in order to create value for the client, while maintaining sustainable economic and social development*" assumes a prudent level of risk, seeking the right balance between value creation, sustainability and risk.

In this regard, the level of risk tolerance, including tax risks, is defined at corporate level in the SGR Policy, approved by the Company's Board of Directors, and sets out that all risks that jeopardise compliance with the Group's strategies and objectives are to be kept at an acceptable low risk level.

The members of the Operational Risk Committee (CRO) and the Executive Risk Committee (CRE) took part in updating the Corporate Risk Map in financial year 2019. The main objectives of this updating process were to identify possible emerging risks and to assess all of the risks in terms of impact, probability of occurrence and effectiveness of the controls established, in accordance with the assessment scales defined and which were updated in 2019 in order to adapt to the strategy and changes

in our business environment and which will continue to be reviewed at least once a year for the same purpose. These assessment scales cover the different aspects of risk impact (financial, operational, regulatory framework and reputation) and entail suitable levels that allow for a standardised risk assessment. These scales reflect the Group's appetite and level of risk tolerance.

**E.5 State what risks, including tax risks, have materialised during the financial year.**

During the year, the risks inherent in Group's activity materialised at levels consistent with the Group's levels in the past and within acceptable impact limits. These risks include reduction on production volumes on a global basis and particularly in China, UK and Germany.

In this regard, the drop in production volumes led the Group to make an amendment in the last quarter of 2019 to the annual forecasts published at the beginning of 2019. Among them, the expected growth in annual sales at constant exchange rate was amended, as was the growth in the EBITDA (at constant exchange rate and excluding the impact of IFRS 16), estimating a 2019 EBITDA greater than 2018 EBITDA.

The Group has managed the impact of this drop by taking flexibility measures in its costs as well as moderating its investments in order to protect as far as possible the impact on its results and its financial debt, it has, however, been able to grow above market growth as well as continue with an EBITDA return on double-digit revenues.

In general, the SIGR, along with the policies and risk control and management systems that develop it, allow effective action to be taken on the risks and for suitable action plans to be drawn up, where necessary.

**E.6 Explain the response and oversight plans for the entity's main risks, including tax risks, as well as the procedures followed by the company to ensure that the board of directors responds to any new challenges that arise.**

The Group has defined a SIGR that entails organisation, procedures and resources, making it possible to identify, measure, assess, prioritise, and respond to risks to which the Group is exposed. In this regard, two mitigation and risk response levels can be determined: global elements or acts that respond to corporate risk management and other individual mechanisms that respond to each specific risk.

The global elements or acts response mechanisms include the Group's Code of Conduct, the performance of the Ethics Committee, which reports directly to the Board and that is responsible for the monitoring of the fulfilment of the Group's Code of Conduct and the Whistleblowing Channel along with other mechanisms broadly defined in the SIGR Policy:

- Those responsible for managing specific risks are in charge of identifying and monitoring the risks that threaten the fulfilment of their objectives, as well as guaranteeing the proper functioning of the controls defined for their mitigation.
- Risk Committees are responsible for ensuring the proper functioning of the SIGR, as well as identifying, quantifying and managing the most significant risks that have an impact on their respective areas and the Group, and for ensuring that the risks remain at an acceptable level, keeping the Audit Committee informed.
- The Board of Directors and Audit Committee in approving, monitoring and following up on the SIGR.
- The Internal Audit and Risk Management Department, which supports the Audit Committee and coordinates the risk identification and assessment

processes and Risk Committees. In addition, the Internal Audit Department independently oversees compliance with the policies, procedures and controls set out for mitigating the Group's main risks.

In terms of individual risk, the Group has plans of management and monitoring adapted to the characteristics of each specific risk integrated within the company's systems and processes, and ensure that operational activities carried out are aligned with the Group's aims and targets.

In this sense, the Group currently has various organisational units or departments that analyse, continuously monitor and provide a response in various areas specialised in risk management, including: Internal control over financial information, Human Resources, Regulatory Compliance, Insurance, Corporate Social Responsibility, Quality, Operations Control, Corporate Security, Information Systems, Occupational Hazards Prevention, Project Management, Communication, Commercial, Financial Management and Development of advanced equipment. These units and departments form part of the Group's SIGR and are represented on the Risk Committees.

Parallel to the update of the 2019 risk map, the creation of an assurance map at the corporate level has begun, in which the main controls and response plans defined for the main risks are identified, from each of the main organisational units mentioned above.

**F INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF ISSUING FINANCIAL REPORTS (ICFRS)**

Describe the mechanisms making up the risk control and management systems with respect to the process of issuing the entity's financial information (ICFRS).

**F.1 Control environment at the entity**

Indicate at least the following, specifying the main features thereof:

**F.1.1.** What bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective internal control over financial reporting system (ICFRS); (ii) the implementation thereof; and (iii) oversight thereof.

The Board of Directors has the ultimate responsibility for the existence and maintenance of an adequate and effective Internal Control over Financial Reporting System (hereinafter ICFRS). For these purposes, the Regulations governing Gestamp's Board of Directors establish in Article 8, section 3(a), as one of the non-delegable competences of this governing body, the approval of the "control and risk management policy, including fiscal risks, as well as regarding the regular monitoring of the internal information and control systems".

The Group has developed an ICFRS Policy, approved by the Board of Directors, in which the managerial responsibilities and the general outline of each component of the ICFRS are assigned (control environment, risk assessment, control activities, reporting and communication and oversight); This Policy establishes that the Group's Financial Management (through the Internal Control Function) is responsible for the design, implementation and operation of the ICFRS. Within the scope of these functions, it must promote the importance of internal control in the different countries where the Group is present, starting with raising awareness of control requirements at all levels of the Group, all through ongoing support in its work both regarding determining documentation associated with the ICFRS, validating the design and effectiveness of the controls, and the implementation of the identified action plans.

The oversight of the ICFRS is the responsibility of the Audit Committee. Article 40, section 6.b) of the Regulations of the Board of Directors sets forth that the Audit Committee has, among others, the competences of "overseeing the preparation process, integrity and presenting regulated financial reports on the Company, ensuring regulatory requirements are met and accounting criteria are correctly applied" and also "periodically reviewing the internal control and risk management systems, including fiscal risks, so that the main risks can be adequately identified, managed and reported". To this end, the Audit Committee relies on the Internal Audit Department, which has rules regulating the task of overseeing the effective functioning of the internal control system.

**F.1.2** Whether any of the following are in place, particularly as regards the financial information preparation process:

- Departments and/or mechanisms in charge of: (i) the design and revision of the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of work and duties; and (iii) ensuring that there are sufficient procedures for the proper dissemination thereof at the entity.

The Group's Human Resources and Organisation Management and the Board of Directors through its Executive Chairman are in charge of defining and modifying the organisational structure of the Group at a high level, with the monitoring support by the Nomination and Compensation Committee. In addition, the different organisational units have the autonomy to develop and propose changes in their respective organisational structures using the criteria established by the abovementioned bodies. Any proposal for organisational change is communicated to the Group's Human Resources and Organisation Department in order to be validated and registered in the Human Resources Corporate System, the organisational management module SAP HCM and its contribution on the organisation charts published on the Company's intranet. These organisation charts graphically represent the relationships between the different Group departments.

For each role defined, the Human Resources and Organisation Department has descriptions of high-level roles called "jobs" which include the managers involved in the process of drawing up the financial reports. In addition, for Group companies that are production centres where there are quality certifications, the specific jobs are described in accordance with the tasks carried out by the different people in the team at each plant.

The ICFRS documentation includes a risk and control matrix where, individually for each control, both the responsible organisational structures and the owners of each of the controls have been identified in relation to the financial reporting process.

- Code of conduct, body that approves it, degree of dissemination and instruction, principles and values included (indicating whether the recording of transactions and the preparation of financial information are specifically mentioned), body in charge of reviewing breaches and of proposing corrective actions and penalties.

The Group has a Code of Conduct which sets out the standards of ethical conduct that the Group requires from all of its employees and which is available on the Group's website.

In 2018, the Code of Conduct was updated.

The main changes have been:

- The inclusion of the responsibilities of all employees: to be compliant, lead by example, seek help and communicate.
- The reorganisation of the Rules of Conduct according to the area of application.
- The inclusion of rules in relation to the use of privileged information.

In 2018, replicating the action for the initial launch in 2011, the Group implemented a dissemination plan in relation to the new Code of Conduct among employees in all jurisdictions, who were also asked to confirm receipt of such. In addition, as part of the plan to welcome new Group employees, a copy of the Code of Conduct is provided and their adhesion is requested.

Regarding training, all Group employees must have carried out, at least once, the introduction course on the Code of Conduct, which may be taken in one of the following ways:

- Online training (through the Company Corporate University). When a new employee joins the Group, they automatically receive a notification to their email address inviting them to take the training on the Code of Conduct (available in all of the Group's languages), also receiving a copy of the Code of

Conduct in electronic format. Moreover, this training course is permanently available and, therefore, it can be seen if any questions arise after the initial training.

- Face-to-face training. For cases where the employee does not have access to a device that allows them to carry out training online. The same documentation as that available in the online training programme is included in the induction plan for people who carry out this type of training.

In either of the two cases, the Group requests acknowledgment from the employee that they have carried out the training on the Code of Conduct; with regards to face-to-face training, this documentation will consist of physical acknowledgment of receipt signed by the employee and which is filed away by the plants; and with regards to online training, the system itself requests confirmation from the user that they have carried out the course on the Code of Conduct.

In addition, and on an annual basis, an external company will perform an audit to check, by interviewing a representative percentage of the staff at each company, their knowledge of the Code of Conduct. The questions include the existence of the Code of Conduct, its accessibility, if it is effective, etc. According to the results, Human Resources Managers identify whether it is necessary to implement a plan of action in relation to the Code of Conduct.

In relation to the financial information, there is a section in the Code on "Integrity towards our shareholders and business partners", which establishes that acting responsibly and with transparency goes hand in hand with protecting value. All employees create value for the shareholders when they put the company's interests first, when they ensure that business records are accurate and when they properly protect the company's resources, its information and assets. Furthermore, this section also includes a rule corresponding to "Information management", which explicitly indicates that the honest, accurate and objective collection and presentation of information, whether financial or any other kind, is essential for the Group. Therefore, an employee of the Group:

- Must not falsify any kind of information, whether financial or any other kind.
- Must not deliberately enter any false or misleading data into any report, record, file or expenses claims.
- Must not accept contractual obligations on behalf of Gestamp that exceed the authority the company has given them.
- Must fully cooperate with auditors, ensuring the accuracy of the information provided.

The Ethics Committee is the body responsible for analysing non-compliances of the Code of Conduct, studying complaints and proposing remedial actions and sanctions. Its duties and governance are set out in the Regulations of the Ethics Committee. Members of Senior Management and an external advisor make up the Committee and reports directly to the Board of Directors.

- Reporting channel that makes it possible to report any irregularities of a financial or accounting nature to the audit committee, as well as any possible breach of the code of conduct and irregular activities at the organisation, specifying, if appropriate, whether it is confidential.

The Group has a channel with certain ways of communication which guarantees confidentiality and the rights of the reporters.

- Human Resources managers. There is a way to report through the Human Resources managers. They in turn report to the Compliance Office.
- Compliance Office Inbox: generic inbox of an email address that the Compliance Office directly receives.
- Speak up line: the complaints channel, which has been available since December 2016, is managed by an external company (SpeakUp Line), thus increasing the whistle-blower's trust and confidence with regard to confidentiality. Such communication may take place via telephone, web form or email. It is available in all languages spoken within the Group. Communications are sent to the Compliance Office.

Both the Compliance Office Inbox and the Speak up line are available on the company's intranet and on the website.

The Ethics Committee Regulations also establish the indemnity of people who report acts in good faith and, in turn, safeguards the honour and presumed innocence of any employee amid malicious or unfounded reports.

The Group's Reporting Channel allows any kind of non-compliance with Code of Conduct, including irregularities of a financial and accounting nature, and any irregular activity that could take place within the Group, to be communicated. The Audit Committee receives a periodic report on the complaints made through the Reporting Channel, the investigations carried out and, where appropriate, the measures adopted.

In 2019, 116 reports were received, 115 of which were complaints regarding potential breaches and 1 doubt already resolved. 18 complaints were received through representatives, 45 directly through the Compliance Office Inbox and 53 through the SpeakUp Line. None of these were related to the ICFRS.

- Regular training and update programmes for personnel involved in the preparation and review of financial information, as well as in the evaluation of the ICFRS, covering at least accounting standards, auditing, internal control, and risk management.

At the beginning of each financial year, the Group's Training and Development Department draws up a training plan with all areas, including those that are part of the Finance Department. This plan includes the different external and internal training activities geared towards members of the areas under the Group's Finance Department and managers of the in each of the Group's countries and organisational units.

This plans are aimed at:

- Members of the finance areas of the Group.  
In 2019, more than 300 hours were devoted to update programmes on regulatory developments regarding the preparation and oversight of financial reporting, and also regarding the system implemented for internal control over financial reporting.
- Members of the finance areas in all countries and organizational units.  
In 2019, training activities were devoted to more than 300 persons from finance areas and other related areas in the countries where the Group operates in order to communicate, train or update any subjects which, from an accounting and financial perspective, are relevant for preparing the financial reports. These training activities amounted to approximately 3.000 training hours.

In 2019, strengthening the economic/ financial knowledge for business decision making in the Group's management teams is still an objective of the Gestamp Corporate University's Financial Academy. Therefore, 2154 hours have been invested in investment project assessment, management accounting, financial accounting and financial statement analysis courses for a total of 200 Gestamp managers.

In addition, a tool developed internally to support the ICFRS was put into operation in 2019, including the maintenance of risk matrices and controls on the reliability of financial information, evaluation of controls and monitoring of defined action plans.

In this regard, on a mandatory basis, in 2019, 641 employees have been trained globally, investing 1100 hours in face-to-face training sessions in each of the countries where the plants are located within the scope of the ICFRS. To supplement this training, at the end of 2019, an online training programme was developed and launched both on ICFRS and on the use of the tool, which will be taught throughout 2020 through the Corporate University Virtual Campus.

Also, in 2019, 500 hours were devoted to specific courses are provided by internal and external personnel on operation and functioning of the financial IT applications used for drawing up financial reports.

## **F.2 Risk assessment of financial information**

Indicate at least the following:

F.2.1. What are the main features of the risk identification process, including the process of identifying the risks of error or fraud, with regards to:

- Whether the process exists and is documented.

The Group bases its process to identify error or fraud risks in financial information on the COSO framework (Committee of Sponsoring Organizations for the Commission of the Treadway Commission), implementing practices aimed at designing and maintaining an internal control system that provides reasonable assurance with regard to the reliability of the regulated financial information.

As referred to in section F.1.1., the Group has an ICFRS Policy that includes, among other aspects, the general description of the ICFRS and its objectives, roles and responsibilities, the method for implementing the system for internal control over financial reporting and also the process to identify error or fraud risks in financial reporting. Based on this methodology, the scope matrix of the ICFRS was defined.

The scope matrix for the ICFRS, which is updated on an annual basis, after the consolidated financial statements have been prepared, aims to identify the accounts and disclosures that have significant associated risks and which could have a potential material impact on financial reporting. It also establishes the processes to review regarding its design and effectiveness in each country where the Group operates.

During financial year 2019, the Group identified the financial reporting risks by analysing the information contained in the audited consolidated financial statements at 31 December 2018, selecting the most relevant accounts and significant disclosures according to quantitative criteria and risks. The 2018 ICFRS scope matrix was approved by the Audit Committee on 6 May 2019.



- Whether the process covers all the objectives of financial reporting (existence and occurrence; integrity; assessment; presentation, breakdown and comparability, and rights and obligations), whether it is updated, and how often.

For each of these accounts and significant disclosures, their associated critical processes and subprocesses are established and the risks that could lead to errors and/or fraud in financial reporting are identified, covering all of the financial reporting objectives (existence and occurrence; integrity; assessment; presentation and breakdown; and rights and obligations).

- The existence of a process for the identification of the scope of consolidation, taking into account, among other matters, the possible existence of complex corporate structures, holding entities, or special purpose entities.

With regard to the scope of consolidation, the Chairman, the CEO, the Group's Legal Manager, the Tax Consultancy Manager and the Finance Manager hold meetings as the Finance and Tax Committee, where they address issues relating to, among others, the purchase or withdrawal of companies in which the company has direct or indirect interests, as well as possible changes to be made regarding said interest. Similarly, the Committee identifies the need to undertake specific corporate operations, such as incorporations, mergers, divisions or the winding-up of companies that form part of the Group.

The conclusions approved by the Finance and Tax Committee in the area of company acquisitions and dispositions, and adoption of company operations, are initially compiled by the Group's Legal Department, which is in charge of drawing up the legal documentation required. Furthermore, the Legal Department informs the Consolidation team of any company acquisition or disposition, as well as any interest in them, and any corporate operation that may affect the scope of consolidation. This is done at least on the date on which such operation becomes effective. -

Based on the information received by the Finance and Tax Committee and by the Legal Department, the Department Responsible for Consolidation in the Group's Economic-Finance Department updates the scope of consolidation on the consolidation application used by the company. Furthermore, on a quarterly basis, this information is compared with that contained in the consolidation reporting package that each Group company sends to carry out the quarterly consolidation.

- The process takes into account the effects of other types of risks (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

As referred to in section E.1., the Group has SIGR Policy, which was approved by the Board of Directors in 2017. The purpose of the SIGR is to establish the basic principles, guidelines and the general framework for action to ensure that risks that may affect the implementation of the Group's strategies and achievement of objectives are identified, analysed, assessed, managed and controlled systematically, with homogeneous criteria and within the risk levels accepted by the Group.

The SIGR Policy is inspired by the following reference frameworks:

- The COSO ERM model, risk management reference framework generally accepted in the market.
- The good practices mentioned in the Good Governance Code of listed companies and the CNMV Technical Guide 3/2017 on Audit Committees of Public Interest

## Entities.

This Policy, containing five risk categories (strategic, operational, reporting, compliance and financial) is applicable to all Group companies. Reporting risks include those related to the reliability in the preparation, collection and presentation of financial and non-financial information, both internal as well as external, relevant to the Group.

These risks generally cover all of those associated with the Group's activities, processes, projects and lines of business in all geographical areas where it conducts business. Consideration is given, among others, to the types of operational, technological, financial, legal, environmental, social and tax- and reputation-related risks, including, under financial risks, those relating to contingent liabilities and other off balance-sheet risks.

Following the update of the Risk Map, which is analysed every year, it is verified that the risks that could have an impact on the financial information drafting processes or on the reliability of it are provided for in the ICFRS model. This is done to analyse the need to include additional processes or controls in said model and/or in the matrix scope for the following financial year.

- What governance body of the entity supervises the process?

Responsibility for the oversight of the effectiveness of the ICFRS and the Integrated Risk Management System lie with the Audit Committee through the Internal Audit Management, according to that set out in Article 40 of the Regulations governing Gestamp's Board of Directors.

As stated in the previous sections, the Audit Committee approved the ICFRS scope matrix on 6 May 2019 as a way of supervising the risk evaluation process.

### **F.3 Control activities**

Indicate whether at least the following are in place and describe their main features:

F.3.1. Procedures for review and authorisation of financial information, and description of the ICFRS to be published in the securities market, indicating the persons or divisions responsible therefor, as well as documentation describing the flows of activities and controls (including those relating to risk of fraud) of the various types of transactions that could materially affect the financial statements, including the closing process and the specific review of significant judgements, estimates, assessments, and projections.

The Group performs regular reviews of the financial reports drawn up and also of the description of the ICFRS in accordance with different levels of responsibility that aim to ensure the quality of the information.

The Group's Economic-Finance Department draws up consolidated financial statements on a quarterly basis (consolidated accounts and interim financial statements) and submits them for review by the Executive Chairman and the Managing Director, who then proceed to approve them. The quarterly and annual review and authorisation procedure concludes with them being submitted to the Audit Committee by the Managing Director and the Finance Department, and its preparation by the Board of Directors.

In financial year 2019 and, in accordance with the scope matrix of the ICFRS, the

Internal Control Department continued to define the risk and control matrix, and the process documentation identified as key and material in all countries where the Group operates. The controls that mitigate the error or fraud risks regarding financial reporting and which affect these processes are identified in said matrix.

These processes/subprocesses cover the different types of transactions which may materially affect the financial statements (purchases, sales, staff costs, stock, fixed assets, collection and payment management, etc.), specifically including the closing, reporting and consolidation process, as well as all of those that are affected by significant judgments, estimates, assessments, and projections.

The documentation in each of the processes comprises:

- Breakdown of the information systems that impact the subprocesses.
- Breakdown of the organisational structures.
- Descriptions of each subprocess associated with each process.
- Description of the significant risks involved in financial reporting (including those relating to the risk of fraud) and also others (operational and/or regarding compliance) associated with the different subprocesses and control objectives.
- Detailed description of the key and non-key controls that mitigate each of the risks identified.
- Results of the internal control design evaluation conducted by the Internal Control Department, identifying the best opportunities and establishing the action plans, persons responsible and the corresponding implementation deadline.

For each control, the following have been identified:

- Supporting evidence regarding the controls.
- Organisational structures and/or functions of positions in charge of each key and non-key controls identified, as well as identifying other departments affected, where appropriate.
- Owner in charge of each control.
- Frequency of the controls.
- Level of automation of the controls.
- Type of control: preventive or detective.
- Risks to mitigate.
- Association regarding the objectives of the financial information and the prevention/detection of fraud.
- Information systems involved in the control.

The Group has launched a process for updating the internal control system which guarantees the quality and reliability of financial and non-financial reporting, not merely limiting itself to yearly or half-yearly financial reports.

As such, among other measures, as stated under section F.1.2., in 2019 the Group has launched in all plants and countries in which risk matrix and controls has been determined, an internal development of a specific tool. This tool allows an ongoing updating, self-evaluating and supervising process to take place on the correct functioning of the internal control system of financial information, ensuring its reasonable reliability in a single centralised environment. This tool contributes to strengthening the internal control at all levels of the organisation, facilitating the

effectiveness evaluation process and the control designs, as well as monitoring the action plans.

With regard to significant judgments, estimates and projections, it is the Group's Economic-Finance Department or the Division Controlling departments that set the hypotheses and perform the calculations. To do so, they use information, such as the budgets for the coming financial years and the strategic plans, which the different Group companies report through a shared platform that is managed by the Group's Controlling Department. In certain cases (such as the valuations of fixed assets and actuarial study calculations), the information provided by specialists external to the Group is also used. The most significant judgements, estimates and projections are validated prior to the approval process for the consolidated financial statements.

**F.3.2. Policies and procedures of internal control over reporting systems (including, among others, security of access, control of changes, operation thereof, operational continuity, and segregation of duties) that provide support for the significant processes of the entity in connection with the preparation and publication of financial information.**

The Group has internal control policies and procedures on the information systems supporting the relevant processes, including the preparation and review process for financial reporting.

In the process to identify technological risks that may affect the confidentiality, integrity and availability of financial information, the Group identifies what systems and applications are relevant in each of the areas or processes considered significant. The systems and applications identified include both those that are directly used to prepare the financial information and those that are relevant for the effectiveness of the controls that mitigate the risk of errors arising therein.

Taking into account this information, the Plan of Business Continuity of Information Systems is reviewed on a yearly basis. This plan establishes action plans for mitigating the risks arising from information system dependency that could affect the achievement of business objectives.

Generally speaking, the following controls exist to provide the Group with reasonable assurance concerning the internal control of reporting systems:

- The Group has a road map of the most relevant applications, including those with the objective of processing financial information.
- Only authorised staff have access to the reporting systems using robust authentication mechanisms. In addition, access to information is limited according to the roles assigned to each user. In relation to this, system accessibility is determined by identity management. A feature is currently being rolled out which, by means of an automatic approval flow, enables managers of each system to receive access requests and, in turn, review and approve them.
- The actions performed by users are registered and monitored by people authorised in accordance with operating procedures.
- Periodic review processes are performed on users with access to data, as well as a review of privileged users.
- There are alternative communication systems that guarantee the continuity of operations.
- Backups of the information are carried out regularly, which are stored in safe locations, and trial restorations thereof are carried out.

- The incident management system is aimed at resolving any type of problem that may arise in the business processes.
- There is a software development methodology and different environments with the aim of ensuring that any changes in the information systems are appropriately authorised and tested.
- Critical business processes have different organisational and technological solutions which ensure the continuity of the information systems. Every year, the financial system recovery plan is tested, identifying the improvement aspects that are included in the plan updates.

The controls on the information technology implemented in the area of financial systems are validated every year in order to ensure their effectiveness. Any incidents identified are evaluated and the appropriate measures adopted to correct them in the time and manner established.

**F.3.3. Internal control policies and procedures designed to supervise the management of activities outsourced to third parties, as well as those aspects of assessment, calculation, or valuation entrusted to independent experts, which may materially affect the accounts.**

The Group does not usually have activities outsourced to third parties which may materially affect the financial statements. In any case, when the Group outsources certain work to third parties, it ensures the subcontracted company has the technical skills required, independence, competence and solvency.

In financial year 2019, the only significant activity outsourced to third parties with an impact on the financial statements was the use of independent experts for support in the valuation of fixed assets and actuarial study calculations, although they did not have a material effect on the financial information.

This activity was performed by a firm which was validated as having the necessary competences by personnel in the Group and supervised by Management, which verified the key assumptions used by the external parties, along with the reasonability of the conclusions.

#### **F.4 Information and communication**

Indicate whether at least the following are in place and describe their main features:

**F.4.1. A specific function charged with defining and updating accounting policies (accounting policy area or department) and with resolving questions or conflicts arising from the interpretation thereof, maintaining fluid communications with those responsible for operations at the organisation, as well as an updated accounting policy manual that has been communicated to the units through which the entity operates.**

Within the Group's Economic-Finance Department, there is Department Responsible for Consolidation (hereinafter, "Consolidation Team"). The functions assigned to said team, specifically established in the Group's Criteria and Accounting Policies Manual, include a team update, which must be undertaken at least once per year.

This Manual includes the main policies applicable to the Group's operations, as well as the criteria that are to be followed by those in charge of recording the financial

information, examples of its application and the chart of accounts for consolidation. The last update was in December 2019.

In addition, there is another department in the Economic-Finance Department that is responsible for the design and definition of the financial processes to be applied in companies using the Corporate SAP system. This Function is in charge of reflecting the accounting policies established in the Group's Criteria and Accounting Policies Manual in this system.

If those in charge of recording the Group's financial information have any queries about how to proceed with regard to daily transaction accounting, the responsibility for resolving queries in relation to these processes lies with the Department Responsible for the design and Definition of Financial Processes, whereas any queries regarding accounting policies are resolved by the Consolidation Team, as stated in the Manual. This centralisation of query resolution allows for increased standardisation of criteria.

The information required to update the Criteria and Accounting Policies Manual is received by the Consolidation Team through the different channels: by communications from the ICAC (the Spanish Accounting and Auditing Institute) (for modifications to the Spanish National Chart of Accounts, the IFRS or the IAS), by reviewing information alerts sent by the external auditor through the tax updates it receives from the tax advisor or through participation in training sessions given by prestigious companies.

In order to keep all persons in charge of recording financial information throughout the whole Group informed of any possible modifications that arise in the Criteria and Accounting Policies Manual, the Consolidation Team sends them said document on a quarterly basis, along with the consolidation reporting package.

**F.4.2. Mechanisms to capture and prepare financial information with standardised formats, to be applied and used by all units of the entity or the group, supporting the principal accounts and the notes thereto, as well as the information provided on the internal control over financial reporting system.**

All Group companies report the financial information in a consolidation reporting package in a standardised manner as established by the Consolidation Team. This package includes the information structure required to then proceed to add it.

The Consolidation Team has a master in which each account in the local consolidation chart of accounts is associated with the corporate SAP accounts. This association is customised in the Group's consolidation application by the Function charged with the Design and Definition of Financial Processes within the Group's Economic-Finance Department.

Once the Consolidation Team has received the information from the different companies, it verifies that it coincides with the chart of accounts established for the Group and with the Group's Criteria and Accounting Policies Manual and proceeds to upload this information onto the Group's consolidation application.

Regarding the information in the disclosures in the report, in order to draw up the consolidated Financial Statements, the Consolidation Team uses the information reported by the different companies in the reporting packages as a source. Based on this data and the information from the whole Group, it consolidates and draws up the consolidated interim and annual accounts (financial statements and notes) and creates the notes to the financial statements. The Consolidation Team ensures that

the information in the consolidation application matches the detailed information extracted to draw up the disclosures, and also that the information in the detail of the notes matches the detailed information extracted to draw up the notes.

Finally, the capture and preparation of the information provided regarding the ICFRS is centralised in the Internal Control Function in coordination with the Departments involved. This description is formally validated by these Departments. This process concludes with the approval of the Annual Corporate Governance Report as a whole by the Board of Governors,

## **F.5 Supervision of the operation of the system**

Indicate and describe the main features of at least the following:

F.5.1. The activities of overseeing the internal control over financial reporting system (ICFRS) performed by the audit committee, and also whether or not the entity has an internal audit function whose duties include providing support to the committee in its task of overseeing the internal control system, including the ICFRS. Information is also to be provided concerning the scope of the assessment of the ICFRS performed during the financial year and on the procedure whereby the person or division charged with performing the assessment reports the results thereof, whether the entity has an action plan in place describing possible corrective measures, and whether the impact thereof on financial information has been considered.

As indicated in section F.1.1, the Audit Committee is responsible for overseeing and periodically reviewing the effectiveness of the internal control and the financial reporting process, with support from the Internal Audit Management, which hierarchically depends on the Managing Director and functionally on the Audit Committee.

Some of the duties of the Internal Audit Management are supporting the Audit Committee in overseeing the correct functioning of the ICFRS, reporting the conclusions obtained from its audits through the regular appearances of the Internal Audit Director at Audit Committee meetings during the financial year. Such conclusions include possible corrective actions of the weaknesses detected, and their monitoring once approved.

In this respect, the Internal Audit Management is responsible for executing the Internal Audit Plan for financial year 2019 that was approved on 17 December 2018 by the Audit Committee. The 2019 Audit Plan includes, among other aspects, the auditing of the design of the key ICFRS processes and the effectiveness evaluation of the general IT controls, implemented in the applications or systems under the ICFRS scope due their importance in producing the Group's financial information.

On 6 May 2019, the Audit Committee approved the scope matrix of the ICFRS established by the Internal Control Department, in accordance with what is stated in section F.2.1, and supervised degree of progress of the work carried out in relation to the ICFRS through periodic reports submitted by the Internal Audit Director to the Audit Committee.

During the 2019 financial year, in accordance with the Audit Plan and the ICFRS scope matrix, a review continued on the design of the controls at plants included in the scope.

In the area of IT, and continuing the work initiated in 2018, the analysis of the main ERP that currently support the industrial and financial processes in the Group were



concluded.

In these audits, action plans aimed at strengthening the internal control system were established. The results of the audits have been periodically reported to the Audit Committee.

As such, the Audit Committee, in accordance with its duties, includes in its Activities Report the tasks it has undertaken under its role of overseeing the Internal Control System during 2019. Among other aspects, the activity report for financial year 2019 includes:

- the supervision and revision of the preparing and presentation process of the annual individual and consolidated financial information and also the regulated financial information (quarterly and half-yearly) to provide the market,
- the reviewing of developments on IFRS and Spanish General Audit Plan.
- the monitoring of the internal audit function activities,
- the overseeing of relationships with the external auditor of the company and Group,
- related transactions,
- correct application of the generally accept accounting principles and the safeguarding of the integrity of financial information.
- the approval of the ICFRS scope matrix established for the financial year 2019-2020,
- review of the degree of implementation of the ICFRS,
- monitoring of the ICFRS design evaluation results, as well as monitoring of the improvement plans detected,
- monitoring of the risk management performed within the Group,
- approval of the 2020 Internal Audit Plan, and
- approval of the 2020 resources of the Internal Audit Management.

F.5.2. Indicate whether there is a discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other reviews they have been engaged to perform to the company's senior executives and its Audit Committee or Board of Directors. State also whether the entity has an action plan to correct or mitigate the weaknesses identified.

Article 40 of the Regulations of the Board of Directors govern the power held by the Audit Committee with regard to regularly receiving information on the activities of the Internal Audit Department; verifying whether senior management takes into account the conclusions and recommendations in its reports; and to discuss with the auditor or auditing firms any significant weaknesses in the internal control system detected in the course of the audits, without ever compromising its independence. To this end, and where applicable, recommendations and proposals, together with the relevant follow-up deadlines, may be submitted to the board of directors.

In accordance with the process established for such purpose, any significant internal control weakness that has been detected by the auditor of the financial statements in the course of its work, will be formally reported in writing to the two levels of



management: to the Management that will define, in such case, the action plans to be implemented to mitigate the internal control weaknesses detected, which will be subsequently presented to the Audit Committee.

Nine meetings of the Audit Committee were held in 2019.

External auditors attended four Audit Committee meetings to communicate the provisional status of the audit work on the limited review of the half-yearly information, the Group's financial statements and the essential facts detected, including the areas for improvement detected in the internal control, which, without being significant weaknesses, have been deemed to be potentially useful.

The Director of the Internal Audit Committee has periodically participated in Audit Committee meetings, presenting the degree of progress of the work undertaken in relation to the ICFRS, as well as the internal control weaknesses identified in the course of said work.

#### **F.6 Other relevant information**

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Not applicable.

#### **F.7 External auditor's report**

Indicate:

F.7.1. Whether the ICFRS information reported to the markets has been submitted for review by the external auditor. If so, the related report should be included in the corresponding report as an Appendix. If not, give reasons why.

The information sent regarding the 2019 ICFRS was not submitted for review by the external auditor given that the Group continues to implement the improvements and recommendations that arose in the ICFRS adaptation process, launched as a result of its admission to trading on the Continuous Market on 7 April 2017. In this sense, considering the implementation level reached, the Audit Committee has decided to submit 2020 ICFRS for the review of the external auditor.

## **G** DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

State the company's degree of compliance with the recommendations of the Good Governance Code for Listed Companies.

If the company does not comply with any recommendation or follows it partially, there must be a detailed explanation of the reasons providing shareholders, investors, and the market in general with sufficient information to assess the company's course of action. Generalised explanations will not be acceptable.

1. **The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.**

Complies  Explain

2. **When a parent and a subsidiary are listed companies, both should provide detailed disclosure on:**

a) **The types of activity they engage in, and any business dealings between them, as well as between the listed subsidiary and other group companies.**

b) **The mechanisms in place to resolve possible conflicts of interest.**

Complies  Partly complies  Explain  Not applicable

3. **During the annual general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular regarding:**

a) **Changes taking place since the previous annual general meeting.**

b) **The specific reasons why the Company does not follow some of the recommendations of the Good Governance Code and, if any, the alternative rules that apply in this area.**

Complies  Partly complies  Explain

4. **The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.**

**This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.**

Complies  Partly complies  Explain

5. **The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.**

**When the board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.**

Complies  Partly complies  Explain

6. **Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:**

- a) Report on auditor independence.
- b) Reports on the operation of the audit committee and the nomination and remuneration committee.
- c) Audit committee report on related-party transactions.
- d) Report on the corporate social responsibility policy.

Complies  Partly complies  Explain

7. The company should broadcast its general shareholders' meetings live on the corporate website.

Complies  Explain

Once analysed the suitability of its broadcast, the Company did not believe that live broadcasting of the Ordinary General Shareholders' Meeting held on 6 May 2019. In that respect, it was considered to firstly analyse the advisability of broadcasting the referred meeting. In future meetings of the General Shareholders' Meeting, this broadcasting possibility will be analyse once again.

8. The audit committee should strive to ensure that the board of directors can present the company's accounts to the general shareholders' meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the chairperson of the audit committee and the auditors should give a clear account to shareholders of their scope and content.

Complies  Partly complies  Explain

9. The company should disclose on its website, on an ongoing basis, its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies  Partly complies  Explain

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.
- c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.
- d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies  Partly complies  Explain  Not applicable

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Complies  Partly complies  Explain  Not applicable

12. The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies  Partly complies  Explain

13. The board of directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Complies  Explain

14. The board of directors should approve a director selection policy that:

- a) Is concrete and verifiable.
- b) Ensures that appointment or re-election proposals are based on a prior analysis of the board's needs.
- c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of board needs should be written up in the appointments committee's explanatory report, to be published when the general meeting is convened which will ratify the appointment and re-election of each director.

The director selection policy should pursue the goal of having at least 30% of total board places occupied by women directors before the year 2020.

The appointments committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

Complies  Partly complies  Explain

As referred to in section C.1.7., Nomination and Compensation Committee, in the context of the evaluation that was conducted on the compliance of the Policy for the Selection of the Board of Directors on 17 December 2018, an evaluation was not carried out on how said policy is fostering the objective of obtaining at least a 30% representation of women on the Board of Directors by 2020.

However, in the context of the evaluation of the Board of Directors referred to in sections C.1.17 and C.1.18, the action plan drawn up by the Nomination and Compensation Committee submitted for the approval of the Board of Directors, includes some recommendations to be performed during 2020, between others, the monitoring of the fulfilment of the diversity principle stated in the Selection Policy of the Board of Directors and the Guidelines for the knowledge, skills, diversity and experience required on the Board of Directors.

In view of the vacancy that arose during 2019 and in order to comply with the provisions of the Selection Policy of the Board and the of Knowledge, Skills, Diversity and Experience Guide and to promote diversity in the Board, the Company's Nomination and Compensation Committee agreed at its meeting on 25 July 2019 to adopt the

measure that, given the equal knowledge and experience of the different candidates, it would be advantageous for the vacancy to be filled by a woman.

- 15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.**

Complies       Partly complies       Explain

- 16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.**

**This criterion can be relaxed:**

- a) **In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.**
- b) **In companies with a plurality of shareholders represented on the board but not otherwise related.**

Complies       Explain

- 17. Independent directors should represent at least half of all board members.**

**However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 % of capital, independent directors should occupy, at least, a third of board places.**

Complies       Explain

- 18. Companies should disclose the following director particulars on their websites and keep them regularly updated:**

- a) **Professional profile and biographical data.**
- b) **Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.**
- c) **Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.**
- d) **Dates of their first appointment as a board director and subsequent re-elections.**
- e) **Shares held in the company and any options thereon.**

Complies       Partly complies       Explain

- 19. Following verification by the appointments committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.**

Complies       Partly complies       Explain       Not applicable

- 20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the number of the latter should be reduced accordingly.**

Complies  Partly complies  Explain  Not applicable

21. The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, following a report by the appointments committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the position of board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in recommendation 16.

Complies  Explain

22. Companies should establish rules obliging directors to inform the Board of Directors of any circumstance that might harm the company's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the offences stated in company legislation, the board of directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to resign. The board should give a reasoned account of all such determinations in the annual corporate governance report.

Complies  Partly complies  Explain

23. All directors should express their clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the Board makes material or reiterated decisions about which a director has expressed serious reservations, then he/she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the Secretary of the Board, director or otherwise.

Complies  Partly complies  Explain  Not applicable

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the reason therefor must be explained in the annual corporate governance report.

Complies  Partly complies  Explain  Not applicable

25. The appointments committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors' regulations should lay down the maximum number of company boards on which directors can serve.

Complies  Partly complies  Explain

- 26. The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.**

Complies  Partly complies  Explain

During 2019, the Board of Directors has met with the necessary frequency to effectively perform its functions following the schedule of meetings and items set out at the beginning of the year. In this sense, the Board of Directors met seven (7) times. Further meets were not necessary for the correct monitoring of the business or appropriate company representation, management and administration. However, the number of meetings may be higher in future financial years.

- 27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.**

Complies  Partly complies  Explain

- 28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.**

Complies  Partly complies  Explain  Not applicable

- 29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending, if necessary, to external assistance at the company's expense.**

Complies  Partly complies  Explain

- 30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.**

Complies  Explain  Not applicable

- 31. The agendas of board meetings should clearly indicate on which points directors must arrive at a decision in order for them to study the matter beforehand or gather together the material they need.**

For reasons of urgency, the chairperson may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly recorded in the minutes, of the majority of directors present.

Complies  Partly complies  Explain

- 32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.**

Complies  Partly complies  Explain

- 33. The chairperson, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief**

executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review knowledge refresher courses for each director, when circumstances so advise.

Complies  Partly complies  Explain

34. When a coordinating independent director has been appointed, the bylaws or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairperson or vice-chairpersons, if they exist; give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairperson's succession plan.

Complies  Partly complies  Explain  Not applicable

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the good governance recommendations contained in this Good Governance Code that are of relevance to the company.

Complies  Explain

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct deficiencies detected in:

- a) The quality and efficiency of the board's operation.
- b) The performance and membership of its committees.
- c) The diversity of board membership and competences.
- d) The performance of the chairman of the board of directors and the company's chief executive.
- e) The performance and contribution of individual directors, with particular attention to the chairpersons of board committees.

The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report by the appointments committee.

Every three years, the board of directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the appointments committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Complies  Partly complies  Explain

37. When an executive committee exists, its membership mix by director class should resemble that of the board. The secretary of the board should also act as secretary to the executive committee.



Complies  Partly complies  Explain  Not applicable

**38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the minutes of executive committee meetings.**

Complies  Partly complies  Explain  Not applicable

**39. All members of the audit committee, particularly its chairperson, should be appointed in relation to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent directors.**

Complies  Partly complies  Explain

**40. There should be a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and internal control systems. This unit should report functionally to the board's non-executive chairperson or the chairperson of the audit committee.**

Complies  Partly complies  Explain

**41. The head of the unit handling the internal audit function should present an annual work programme to the audit committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.**

Complies  Partly complies  Explain  Not applicable

**42. The audit committee should have the following functions over and above those legally assigned:**

**1. As regards information systems and internal control:**

- a) **Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.**
- b) **Ensure the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.**
- c) **Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.**

**2. With regard to the external auditor:**

- a) **Investigate the issues giving rise to the resignation of the external auditor, should this come about.**
- b) **Ensure that the remuneration of the external auditor does not compromise its quality or independence.**
- c) **Ensure that the company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.**
- d) **Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and**

accounting positions.

- e) **Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.**

Complies  Partly complies  Explain

- 43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.**

Complies  Partly complies  Explain

- 44. The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.**

Complies  Partly complies  Explain  Not applicable

- 45. The risk control and management policy should identify at least:**

- a) **The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off- balance-sheet risks.**
- b) **The determination of the risk level the company sees as acceptable.**
- c) **The measures in place to mitigate the impact of identified risk events should they occur.**
- d) **The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance- sheet risks.**

Complies  Partly complies  Explain

- 46. Companies should establish a risk control and management function in the charge of one of the company's internal departments or units and under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:**

- a) **Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.**
- b) **Actively participate in the preparation of the risk strategy and in key decisions regarding their management.**
- c) **Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.**

Complies  Partly complies  Explain

- 47. Members of the appointments and remuneration committee—or of the appointments committee and remuneration committee, if separately constituted—should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.**

Complies  Partly complies  Explain

**48. Large cap companies should operate separately constituted appointments and remuneration committees.**

Complies  Explain  Not applicable

**49. The appointments committee should consult with the company's chairperson and chief executive, especially on matters relating to executive directors.**

**When there are vacancies on the board, any director may approach the appointments committee to propose candidates that it may consider suitable.**

Complies  Partly complies  Explain

**50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:**

- a) **Propose to the board the standard conditions for senior officer contracts.**
- b) **Monitor compliance with the remuneration policy set by the company.**
- c) **Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.**
- d) **Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.**
- e) **Verify the information on director and senior officers' pay contained in different corporate documents, including the annual directors' remuneration statement.**

Complies  Partly complies  Explain

**51. The remuneration committee should consult with the company's chairperson and chief executive, especially on matters relating to executive directors and senior officers.**

Complies  Partly complies  Explain

**52. The terms of reference of supervision and control committees should be set out in the regulations of the board of directors and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include at least the following terms:**

- a) **Committees should be formed exclusively by non-executive directors, with a majority of independents.**
- b) **They should be chaired by independent directors.**
- c) **The board should appoint the members of such committees in relation to the knowledge, skills and experience of its directors and each committee's tasks; discuss their proposals and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.**
- d) **They may engage external advice, when they deem it necessary for the discharge of their functions.**
- e) **Meeting proceedings should be minuted and a copy made available to all board members.**

Complies  Partly complies  Explain  Not applicable

**53. The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one board**

committee or split between several, which could be the audit committee, the appointments committee, the corporate social responsibility committee, where one exists, or a dedicated committee established ad hoc by the board under its powers of self-organisation, with at the least the following functions:

- a) Monitor compliance with the company's internal codes of conduct and corporate governance rules.
- b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.
- c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
- d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.
- e) Monitor corporate social responsibility strategy and practices and assess their degree of compliance.
- f) Monitor and evaluate the company's interaction with its stakeholder groups.
- g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.
- h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

Complies  Partly complies  Explain

54. The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:

- a) The goals of its corporate social responsibility policy and the support instruments to be deployed.
- b) The corporate strategy with regard to sustainability, the environment and social issues.
- c) Specific practices in matters relating to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conduct.
- d) The methods or systems for monitoring the results of the specific practices referred to above, and identifying and managing related risks.
- e) The mechanisms for supervising non-financial risk, ethics and business conduct.
- f) Channels for stakeholder communication, participation and dialogue.
- g) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Complies  Partly complies  Explain

55. The company should report on corporate social responsibility developments in its directors' report or in a separate document, using an internationally accepted methodology.

Complies  Partly complies  Explain

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Complies  Explain

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans, retirement schemes or other welfare schemes, should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Complies  Partly complies  Explain

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

- a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.
- b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.
- c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies  Partly complies  Explain  Not applicable

The Company's variable remuneration system is based on strictly objective, measurable and quantifiable economic-financial criteria that is 100% linked to the value of the Group. Such objective is understood as a multiple of the consolidated EBITDA, less the net debt. In this respect, the company understands that said criteria consider the risk undertaken in order to obtain the result; as such, they consider not only the obtention of the results, measured in EBITDA terms, but also the levels of debt the company has in achieving them.

The variable remuneration system applied to the Company's Executive Directors is applicable to all employees with variable remuneration. That is, the same measurement objectives and criteria are applied to over 1,200 employees, including directors, managers and employees. The variable remuneration policy exclusively includes financial criteria relating to the degree of compliance with the rules and the company's internal procedures, and its risk control and management policies. The company applies the zero-tolerance principle to all partial and full non-compliances of the company's internal procedures and risk control and management policies through the commitment and acceptance, by employees, directors and managers, of the company's Code of

Conduct and its internal development rules.

The company's remuneration policy is established based on a balance between the short-medium- and long-term compliance of objectives, given that, in addition to annual variable remuneration, the company also has:

- A long-term incentive plan for certain company executives, among whom is Mr Francisco López Peña, the CEO, linked to the achievement of long-term objectives and aimed at promoting sustained value creation for the Group over time and increasing the retention and motivation rates of the company's key employees. The plan is linked to the achievement, by the end of the period, of a series of financial objectives set forth in the Group's Strategic Plan and related to shareholder interests, given that it is linked to the creation of value for the Group.
- The alignment of executives, including Francisco López Peña, the CEO, with the company's long-term strategy, market evolution, and share price on the stock exchange, is undertaken by means of the plan launched in 2016, through which key executives were offered the chance to buy company shares at the market price.

**59. A major part of variable remuneration items should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.**

Complies       Partly complies       Explain       Not applicable

**60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.**

Complies       Partly complies       Explain       Not applicable

**61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.**

Complies       Partly complies       Explain       Not applicable

The variable remuneration system for Executive Directors is based on a monetary and objective system associated with economic-financial metrics that are directly aligned with value creation for the shareholder.

The company does not directly contemplate a variable remuneration system for Executive Directors that includes the giving of shares or financial instruments whose value is linked to the share price. However, in 2016 the company offered certain key directors of the Group, including Francisco López Peña, the CEO of the Group, the possibility of buying company shares at the market price, a measure with which the interests of executive directors and senior management are aligned with the long-term objectives of the company. As a result, the inclusion of the provision of shares as variable remuneration has been deemed unnecessary.

**62. Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.**

**This condition, however, will not apply to shares that the director must dispose of to**

**defray costs related to their acquisition.**

Complies  Partly complies  Explain  Not applicable

**63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.**

Complies  Partly complies  Explain  Not applicable

**64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.**

Complies  Partly complies  Explain  Not applicable



## OTHER INFORMATION OF INTEREST

1. If there are any significant aspects regarding corporate governance at the company or at entities of the group that are not included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the corporate governance structure and practices at the entity or its group, briefly describe them.
2. In this section, you may also include any other information, clarification, or comment relating to the prior sections of this report provided that they are relevant and not repetitive.

Specifically, state whether the company is subject to laws other than Spanish laws regarding corporate governance and, where applicable, include any information that the company is required to provide which is different to the information required in this report.

### Section A.7.

Private shareholders' agreement entered into by Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co., Ltd. and Gestamp 2020, S.L. on 23 December 2016.

The most significant agreements it contains affecting the Company are as follows:

- (i) The Gestamp 2020, S.L. Board of Directors must hold a meeting prior to the Company's Annual General Shareholders' Meeting in order to decide upon how to vote and appoint a representative for Gestamp 2020, S.L. in said Meeting. Mitsui & Co. Ltd. does not hold any voting rights regarding items on the agenda at the Company's Annual General Shareholders' Meeting.
- (ii) The Company's Board of Directors must have a minimum of 9 and a maximum of 15 members. Mitsui & Co., Ltd. shall have the right to propose the appointment of 2 members of the Company's Board of Directors out of the total number of members that Gestamp 2020, S.L. has the right to appoint, provided that it holds a stake, either directly or indirectly, in at least 10% of the Company's share capital. In the event that the stake held drops below 10% but remains above 5%, Mitsui & Co., Ltd. would have the right to propose the appointment of 1 member of the Company's Board of Directors out of the total number of members that Gestamp 2020, S.L. has the right to appoint.
- (iii) In the event that any Gestamp 2020, S.L. shareholders have the intention of transferring their indirectly held stake in the Company, the non-transferring shareholder becomes entitled to purchase the stake of the transferring shareholder in Gestamp 2020, S.L. for a price equivalent to that of the sum of the closing market price of the Company's share divided by the sum of the trading days in the month after the notification regarding the share transfer. If the right of first refusal is not exercised, the transferring shareholder may, at its discretion, request the following within 3 months:
  - (a) That Gestamp 2020, S.L. sells company shares that indirectly belong to the transferring shareholder, using the price obtained from such sale to buy shares of Gestamp 2020, S.L., which directly belong to the transferring Shareholder.



- (b) The shares in Gestamp 2020, S.L. are amortised obtaining in return the distribution of company shares indirectly held.
- (c) Gestamp 2020, S.L. is dissolved, allocating to each partner the company shares that correspond to it in accordance with the stake held in Gestamp 2020, S.L.
- (iv) Except where provided for in the agreement, Gestamp 2020, S.L. cannot sell or use the company shares in its name as security without the consent of both partners.
- (v) Acek Desarrollo y Gestión Industrial, S.L. may transfer at any time all or part of the company shares that it directly holds.
- (vi) Without prejudice to the rights of Mitsui & Co. Ltd. under the agreement, Acek Desarrollo y Gestión Industrial, S.L. may keep control of the company and of Gestamp 2020, S.L. and its business.
- (vii) In the event of a material breach of the private shareholders' agreement by Mitsui & Co. Ltd., Acek Desarrollo y Gestión Industrial, S.L. shall be entitled to exercise a call option on the stake held by Mitsui & Co. Ltd. in Gestamp 2020, S.L. for a price equivalent to 90% of its market value. In the event of a breach by Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co. Ltd. May exercise a put option on its stake in Gestamp 2020, S.L. for a price equivalent to 110% of its market value.

Private shareholders' agreement entered into by Mr. Francisco José Riberas Mera, Halekulani, S.L., Juan María Riberas Mera, Ion-Ion, S.L. and Acek Desarrollo y Gestión Industrial, S.L. on 21 March 2017.

The most significant agreements it contains are as follows:

- (i) The governing body of Acek Desarrollo y Gestión Industrial, S.L. must hold a meeting prior to the Annual General Shareholders' Meeting of the Company or of Gestamp 2020, S.L. in order to come to an agreement on how Acek Desarrollo y Gestión Industrial, S.L. will vote and to appoint its proxy for said meetings.
- (ii) Right of first refusal and *tag-along* right of the Acek Desarrollo y Gestión Industrial, S.L. shareholders and, in the case of the right of first refusal, on a subsidiary basis to the company itself, in the event that any of the shareholders have the intention of transferring their stake to a third party. The aforementioned rights will not come into play in particular transfers to member of the Riberas family or to companies or foundations controlled by the transferring shareholder or his/her family.
- (iii) Regulation of a conciliation procedure and, on a subsidiary basis, a mediation procedure for deadlock situations involving Acek Desarrollo y Gestión Industrial, S.L., and indirectly involving the Company. In the event that the deadlock is not solved through the conciliation or mediation, each of the Acek Desarrollo y Gestión Industrial, S.L. shareholders may determine the vote that indirectly corresponds to them in Gestamp 2020, S.L. by means of their stake in Acek Desarrollo y Gestión Industrial, S.L.

### **Section C.1.3**

Regarding the appointment of Mr. Shinichi Hori and Mr. Katsutoshi Yokoi, it is established that they were proposed by Mitsui & Co. Ltd. to Acek Desarrollo y Gestión Industrial, S.L., pursuant to the provisions in the shareholders agreement entered into between Acek Desarrollo y Gestión Industrial, S.L., Mitsui & Co., Ltd. and Gestamp 2020, S.L., referred to in section A.7.

### **Section C.1.13**

The amount of remuneration of the Board of Directors accrued in 2018 included in this section differs from the amount included on the Note 32.2. to the annual financial statements of the Group as the accrual criteria applied is different regarding the long term incentive.

### **Section C.1.14**

In accordance with what is established in the instructions for completing this report, it is hereby stated that the Company's Internal Audit and Risk Management Director is Ms. Raquel Cáceres Martín was not included in the table in section C.1.14 given that she is not considered to be a member of senior management, since, as this term is legally defined, only members of the Company's Management Committee hold this status.

Furthermore, it is hereby stated that the total amount of the remuneration of Senior Management corresponding to financial year 2019 as set out in section C.1.14 of this report include: the salaries paid during the year; the annual variable remuneration accrued in the year, and payment thereof is envisaged once the 2019 Financial Statements have been formally approved by the Annual General Shareholders' Meeting which will be held in 2020; the sum of any benefits granted and compensation paid due to two Senior Managers leaving the Management Committee in the year in question.

Also, the remuneration amount of the Senior Management accrued in 2018 included in this section differs from the amount included on the Note 32.3. to the annual financial statements of the Group as the accrual criteria applied is different regarding the long term incentive.

### **Section C.2.1.**

#### Procedures and rules of organisation and functioning of the Audit Committee and the Nomination and Compensation Committee

Article 39 of the Regulations of the Board of Directors sets forth the following rules applicable to both Committees:

“a) The Board of Directors shall appoint the members of such committees, taking into account the knowledge, skills and experience of the directors and each committee's tasks; it shall discuss their proposals and reports; and provide report-backs on their activities and work carried out.

(b) They shall be exclusively made up of non-executive directors, with a minimum of three and a maximum of five. The above is understood notwithstanding the potential presence of executive directors or Senior Managers in their meetings, for reporting

purposes, when each of the committees agrees to this. However, the presence of the executive Chairman in these meetings shall be exceptional.

(c) Independent directors shall be in the majority at all times, where one is to be appointed Chairperson.

(d) The Secretary shall be the Secretary of the Board of Directors.

(e) They may seek external advice when deemed necessary for the performance of their duties under the same circumstances as those applicable to the Board (*mutatis mutandi*).

(f) Minutes shall be taken of the meetings and a copy thereof shall be sent to all the members of the Board.

(g) The committees shall meet whenever necessary, at the Chairperson's discretion, 33 to exercise their powers, and whenever two of its members so request.

(h) The rules of operation shall be those that govern the functioning of the Board. In this way, they shall be validly constituted whenever the majority of its members are present or represented, and its resolutions shall be adopted by an absolute majority of the directors in attendance. In the event of a tie, the Committee Chairperson shall have the casting vote.

(i) The Chairman of the corresponding committees shall inform the Board of Directors of the issues discussed and the resolutions adopted at the meetings during the first Board of Directors' meeting held after the Committee meeting.

(j) Within three months after the end of each financial year, each committee shall submit a report on its work in the previous year for approval by the Board of Directors, and it shall be made available to the shareholders during their annual general meeting.

#### Duties of the Audit Committee and the Nomination and Compensation Committee

Article 40 of the Regulations of the Board of Directors attributes the following duties to the Audit Committee:

“(a) To inform the General Shareholders' Meeting about issues raised by the shareholders on matters for which it is competent and, in particular, about the findings of audits, explaining how they have contributed to the integrity of the financial reporting and the role that the Committee has played in the process.

(b) As regards information systems and internal control:

(i) To supervise the preparation process, integrity and presentation of regulated financial reporting on the Company, checking that regulatory requirements are met and accounting criteria are correctly applied.

(ii) To periodically review the internal control and risk management systems, including fiscal risks, so that the main risks are adequately identified, managed and reported, and also to discuss with the auditor any significant weaknesses in the internal control system found in the course of the audit, never compromising its independence. To this end, and where applicable, recommendations and proposals, with the relevant deadlines for follow-up, can be submitted to the administrative body.

(iii) To safeguard the independence and effectiveness of the internal audit function: to propose the selection, appointment, re-election and dismissal of the head of the internal audit service; to propose the budget for this service; to receive information about its activities regularly; to verify whether senior management takes into account the conclusions and recommendations in its reports; and to discuss with the auditor or auditing firms any significant weaknesses in the internal control system detected in the course of the audits.

(iv) To set up and supervise a mechanism that enables employees to anonymously and confidentially report any irregularities they may observe within the company.

(v) To approve, supervise, revise and oversee compliance with the Company's corporate social responsibility policy, which must focus on the creation of value at the Company and on fulfilment of its social and ethical duties.

- (c) With regards to the auditor:
    - (i) To bring proposals on the selection, appointment, re-election and replacement of the auditor, as well as the contract conditions for such party, to the Board and to be in charge of the selection process.
    - (ii) To regularly receive from the auditor information on the audit plan and the results of its implementation, and to verify whether senior management has taken its recommendations into account.
    - (iii) To establish an appropriate relationship with the auditor to receive information about any issues that could jeopardise the independence of the auditors, for examination by the Audit Committee, and any other information related to the progress of the auditing process, as well as any other correspondence stipulated in legislation on accounts auditing and auditing standards. At the least, it must receive written confirmation from the auditor or auditing firms once a year asserting their independence from the entity, or entities that are directly or indirectly related to it, as well as information about additional services of any kind provided to these entities by the aforementioned auditor or firms, or by individuals or entities related to them in accordance with legislation on accounts auditing.
    - (iv) To issue a report expressing an opinion on the independence of the auditor once a year, prior to issuance of the auditor's report. Such report must, in all cases, express a decision on the additional services referred to in the paragraph above.
  - (d) As regards the risk management and control policy:
    - (i) To propose to the Board of Directors a risk management and control policy, which shall identify as least: (i) the types of risk (operational, technological, financial, legal and reputational) to which the Company is exposed; (ii) setting the risk level deemed acceptable by the Company; (iii) measures to mitigate the impact of the risks identified, should they occur; and (iv) the control and reporting systems to be employed to control and manage said risks.
    - (ii) To supervise the operation of the Company's risk management and control unit, which is responsible for: (i) ensuring that the risk management and control systems function properly and, in particular, ensuring that all the significant risks affecting the Company are adequately identified, managed and quantified; (ii) actively participating in the creation of the risk strategy and in reaching important decisions about its implementation; and (iii) ensuring that the risk management and control systems adequately mitigate the risks in accordance with the policy defined by the Board of Directors.
  - (e) To review the prospectuses or equivalent documents for issuance and/or admission of securities and any other financial reporting that the Company is required to submit to the markets and its supervisory bodies.
7. The Audit Committee must inform the Board of Directors before the latter adopts the relevant resolutions on the matters set forth by law, in the By-laws and in these Regulations and, specifically, on the following subjects:
- (a) The financial reports that the Company, due to its status as a listed company, must periodically publish. The Audit Committee shall ensure that interim financial statements are prepared using the same accounting criteria as the annual statements and, to this end, shall consider whether a limited review by the auditor is appropriate.
  - (b) The creation or acquisition of shares in special-purpose entities or entities based in countries or territories classified as tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could diminish the Company's transparency.
  - (c) Related-party transactions.
  - (d) Operations entailing structural and corporate modifications planned by the Company, analysing their financial terms and conditions, including, where applicable, the exchange ratio and impact on the accounts.
- (...)

10. In relation to the corporate social responsibility policy, the Audit Committee must:
- (a) Propose the principles or commitments to be voluntarily undertaken by the Company in its relations with its diverse stakeholders;
  - (b) Identify the objectives of its corporate social responsibility policy and the support instruments to be deployed.
  - (c) Establish the corporate strategy with regards to sustainability, the environment and social issues.
  - (d) Determine specific practices on matters relating to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conduct.
  - (e) Establish the methods or systems for monitoring the results of the specific practices referred to above, and identifying and managing related risks.
  - (f) Implement (1) monitoring mechanisms of non-financial risk, ethics and business conduct; and (2) the channels of communication, participation and dialogue with stakeholders; as well as responsible communication practices that prevent manipulation of information and protect integrity and honour."

On the other hand, Article 41 of the Regulations of the Board of Directors attributes the following duties to the Nomination and Compensation Committee:

- “(a) To assess the skills, knowledge and experience of the Board, describe the duties and skills required from the candidates to fill the vacancies, and assess the time and dedication required for them to perform the entrusted 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) To guide the proposals for the appointment and dismissal of members of Senior Management 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) To guide the Board on gender diversity issues, to set representation targets for the under-represented gender on the Board of Directors and to create guidelines for achieving such targets.
  - (h) To arrange and coordinate periodic assessments of the Chairman of the Board of Directors and, in conjunction with this person, periodic assessments of the Board of Directors, its committees and the CEO of the Company.

2. The Nomination and Compensation Committee should consult with the company's Chairman or, in turn, chief executive, especially on matters relating to executive directors and senior officers. When there are vacancies on the board, any director may approach the Nomination and Compensation Committee to propose potential candidates that it considers suitable.

3. The Nomination and Compensation Committee, in addition to the duties indicated in previous sections, shall be responsible for the following in relation to remuneration:

- (a) Propose the following to the Board of Directors:

- (i) The remuneration policy for directors and for the parties that carry out senior management duties and directly report to the Board, executive committees or managing directors, as well as the individual remuneration and other contract conditions of executive 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.
  - (iii) The types of contracts for Senior Management.
- (b) Ensure compliance with the remuneration policy for directors approved in the General Meeting.”

**Section C.2.2**

For the purposes of communicating the number of female directors and the percentage thereof in the years prior to 2017, it is hereby stated that the Company did not have an Audit Committee or Nomination and Compensation Committee established in such years given that its shares were admitted to trading in 2017.

**Section D.2.**

For further information, see section 32 of the report of the Group's Consolidated Financial Statements corresponding to year-end 31 December 2019.

3. The company may also state whether it has voluntarily adhered to other international, sectoral or any other codes of ethical principles or good practices. If so, state the code in question and the date of adherence thereto. In particular, mention whether there has been adherence to the Code of Good Tax Practices of 20 July 2010.

The Group has been a signatory of the Principles of the United Nations Global Compact since 24 July 2008, and it became a partner of the Global Compact in 2011.

This annual corporate governance report was approved by the Company’s Board of Directors at its meeting held on 27 February 2020.

State whether any directors voted against or abstained in connection with the approval of this Report.

Yes

No

Individual or company name of director that did not vote in favour of the approval of this report	Reasons (opposed, abstained, absent)	Explain the reasons