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

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

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

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

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

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

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

The Directors' Remuneration Policy of Gestamp Automoción, S.A. (hereinafter, the "Remuneration Policy"), applicable at the date of issuance of this report, was approved by the Ordinary General Shareholders Meeting held on 6 May 2021.

**A- PROCEDURES AND BODIES INVOLVED**

The Board of Directors of the Company is the body responsible for proposing the Remuneration Policy to the General Meeting. In addition, the Board of Directors is responsible for distributing the fixed annual sum of directors for their status as such, which shall take into account the conditions of each director, the duties and responsibilities attributed to them and their membership on the various committees. However, with respect to executive directors, the Board of Directors determines their remuneration for their executive duties and other contractual conditions, in all cases, in accordance with the provisions in the Remuneration Policy.

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

Ultimately, the General Shareholders Meeting of the Company approves the Remuneration Policy.

## B. REMUNERATION POLICY FOR CURRENT FINANCIAL YEAR (2022)

Remuneration of Directors for their status as such:

In accordance with the Remuneration Policy, the remuneration of Directors for their status as such entails an annual fixed sum, which shall not exceed 1,200,000 euros per year.

The determination of the remuneration of each Director for their status as such for the current financial year was approved by the Board of Directors on 20 December 2021 following a proposal from the Nomination and Compensation Committee, and is broken down as follows:

- Fixed remuneration of 80,000 euros per year for being a member of the Board of Directors.
- Fixed remuneration of 15,000 euros per year for being a member of a committee.
- Fixed remuneration of 15,000 euros per year for chairing a committee.

Remuneration of Directors for the performance of executive duties:

- The remuneration of the Executive Chairman of the Company's Board of Directors consists of an annual fixed remuneration of 714,000 euros and an annual variable remuneration of 306,000 euros for a performance level of 100% of the goals established. Given the Executive Chairman's status as the controlling shareholder of the Company, he does not have any long-term incentives in his remuneration structure.
- The remuneration of Mr Francisco López Peña as the Company's Executive Director consists of an annual fixed remuneration of 300,000 euros and a pluriannual variable remuneration of 3,000,000 euros according to a performance level of 100%, as well as certain company benefits.

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

For the amendment of the current Remuneration Policy approved by the Company's General Shareholders Meeting on 6 May 2021, no external advisors have been consulted, given that the modifications made have not entailed significant

changes with respect to the previous Remuneration Policies which, at the time, had the advice of Spencer Stuart regarding the amount of remuneration and of Cuatrecasas and Garrigues, regarding the legal and contractual conditions.

However, the law firm Garrigues has advised on the negotiation of the terms of the new business contract between the Company and the Executive Director, Mr Francisco López Peña (which came into force on 1 January 2021). ]

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

The Directors' Remuneration Policy does not expressly provide for any temporary exceptions to it, nor for any components that may be subject to exception. Any modification or temporary exception to the remuneration in its entirety or in some of its components for general or particular application must be approved by the Board of Directors upon proposal of the Nomination and Compensation Committee. In this regard, in 2020, in the context of the health crisis caused by COVID-19, the Board of Directors, at the proposal of the Nomination and Compensation Committee, exceptionally and temporarily approved a 15% reduction in the fixed remuneration of the Directors for their status as such, as well as that of the Executive Director, Mr Francisco López Peña, then Managing Director, for the duration of the crisis. It was also agreed to reduce the fixed remuneration of the Chairman of the Board by 50% during the 2020 financial year, in this case at the proposal of the Chairman himself.

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

Moreover, state whether the company has established any period of accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, a period of deferral in the payment of amounts or delivery of financial instruments already accrued and consolidated, or whether any clause has been agreed to reduce deferred remuneration or oblige the director to return remuneration received, when such remuneration has been based on data which has subsequently been clearly proven to be inaccurate.

With respect to the Director for their status as such, the Remuneration Policy is aimed at compensating Directors properly for the dedication and responsibility,

without jeopardising their independence under any circumstances. In this regard, the remuneration of Director for their status as such consists exclusively of a fixed remuneration in cash.

Only the Company's Executive Directors have variable items as part of their remuneration, apart from their fixed remuneration. In this regard:

- In relation to the remuneration mix of the Executive Chairman of the Company's Board of Directors, Mr Francisco José Riberas Mera, the annual fixed remuneration represents 70% and the annual variable remuneration 30% of the total remuneration, on the basis of 100% performance of the goals set.
- In relation to the remuneration mix of the Company's Executive Director, Mr Francisco López Peña, the annual fixed remuneration represents 41.2% and the pluriannual variable remuneration represents 58.8% of the total remuneration, on the basis of 100% performance of the goals established.

All variable items of Executive Directors' remuneration are defined in a manner preventing the accrual of remuneration below the minimum performance percentage relating to the goals established.

The main objective of the Company's Remuneration Policy is the sustained creation of value for the Group and for the companies belonging to the group (hereinafter, the "Group") over time, ensuring transparency and objectivity. In this regard:

- The annual variable remuneration is aimed at the achievement of two financial goals linked to the value of the Group in the short term, as well as the achievement of a non-financial objective, linked to the degree of progress and implementation of the strategic project for the transformation of the Company, called ATENEA, launched in 2021 and that pursues, through different initiatives with an impact throughout the organization, to improve the efficiency and effectiveness of processes and systems, as well as the organization and culture of the Company, ensuring in a broad sense, the sustainability of the company in the long term.
- Pluriannual variable remuneration is aimed at the creation of long-term value, fostering the retention and motivation of management staff and aligning their interests with those of the Company, as set out in the Group's Strategic Plan at any time, and, thus, also indirectly aligning them with the shareholders' interests in terms of contributing to the generation of value for them.

On the one hand, the goals set on an annual basis for the Executive Chairman are proposed by the Nomination and Compensation Committee. The degree of achievement of these goals is also verified by the Nomination and Compensation Committee. As the annual variable remuneration is determined on the basis of economic and financial goals (among others), the amount is paid once the Group's Consolidated Financial Statements have been audited by the external auditor and approved by the Company's General Shareholders Meeting.

To ensure that the remuneration is appropriate and follows market criteria, and the reality of the Company, in 2019 the Nomination and Compensation Committee reviewed a benchmarking analysis on the remuneration of the boards of directors of listed companies, based on a study prepared for it by Spencer Stuart, HR expert advisor, as well as other studies prepared by other HR specialised advisors.

The contracts of the Executive Directors, in accordance with the provisions of the Remuneration Policy, include a claw-back clause that allows the Company to claim reimbursement of the variable components of the remuneration if it is found that its settlement and payment was fully or partially based on false or inaccurate information or if risks or other circumstances arise that are unforeseen and have not been undertaken by the Company, which have a material negative effect on the income statement.

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

The amount and nature of the fixed components of Directors' remuneration for their status as such that are expected to be accrued in the current year are individually detailed in section A.1.1 letter B of this report. These amounts are presented below in aggregate form, taking into account the number of directors and committees:

- Fixed remuneration for Board of Directors membership: 880,000 euros per year.
- Fixed remuneration for committee membership: 150,000 euros per year.
- Fixed remuneration for chairing committees: 45,000 euros per year.

The total amount accrued in the 2022 financial year for Directors for their status as such will be 1,075,000 euros per year, the value of which is below the overall maximum limit of 1,200,000 euros per year established in the Remuneration Policy.

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

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

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

The total aggregate amount of the fixed components of the remuneration of Directors with executive duties expected to be accrued for the current year is 1,014,000 euros per year.

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

No remuneration in kind is specified for the Directors for their status as such or for the Executive Chairman of the Company's Board of Directors. The Executive Director of the Company has the following in-kind remuneration components:

- The sum of life insurance premiums is expected to rise in the 2022 financial year to around 11,000 euros per year.
- The sum of the company car is expected to rise in the 2022 financial year to around 7,000 euros per year.

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

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

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

As set out in the Remuneration Policy, it is only the Executive Directors' remuneration that includes items of a variable nature.

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

Annual variable annual remuneration contains both financial and non-financial parameters, while pluriannual variable remuneration only contains financial

parameters. In both cases, both systems are related to the professional performance of their beneficiaries and are defined on predetermined, measurable bases that allow performance to be remunerated in the short, medium and long term.

#### **Annual Variable Remuneration**

- The annual variable remuneration applicable to the Executive Chairman, Mr Francisco José Riberas Mera, for the 2022 financial year contains financial elements, with a relative weight of 75% of the total annual variable remuneration and a non-financial element with a relative weight of 25%:
  - The financial elements are linked to the fulfilment of two economic and financial goals with different levels of weighting: 60% linked to consolidated EBITDA and 40% linked to free cash flow, as set out in the annual budget. The degree of fulfilment of said goals is calculated by comparing the actual value attained during the year with the target value defined in the annual budget.
  - The non-financial element is linked to the degree of progress and implementation of the Company's strategic transformation programme, called ATENEA, which was launched in 2021 and was presented to the Board of Directors at its meeting on 14 September 2021. The ATENEA programme, with a global scope and a time horizon of several years, will make it possible, through different initiatives with an impact on the entire organisation, to improve the efficiency and effectiveness of processes and systems, as well as the organisation and culture of the Company, ensuring, in a broad sense, the Company's long-term sustainability. The degree of fulfilment of the goals established for each of the initiatives that make up the programme is calculated on the basis of the level of achievement or progress of the commitments made for the reference year as determined by the Management Committee of the project.
- The amount of overall annual variable remuneration is calculated by taking the target variable remuneration as the basis and applying a percentage to the amount based on the degree of fulfilment of each goal established and its relative weight. The maximum remuneration that can be received is 120% of the target annual variable remuneration. Below 70% fulfilment, no remuneration would be received for the component in question.
- The annual variable remuneration of the Executive Chairman amounts to 306,000 euros on the basis of 100% performance, as determined by the



Board of Directors in its meeting held on 20 December 2021, on proposal of the Nomination and Compensation Committee.

#### **Pluriannual Variable Remuneration**

- The 2022 long-term incentive scheme was approved by the Board of Directors in a meeting held on 29 October 2020 following the proposal of the Nomination and Compensation Committee for its update. This long-term incentive plan, of which the beneficiary, Mr Francisco López Peña, Executive Director, among other, is linked to the achievement by the end of the period of a financial and economic target set out in the Group's Strategic Plan and is related to shareholder interests, given that it is connected to the creation of value for the Group. If the goal is met, the beneficiary shall be entitled to receive an amount in cash within the first six months of 2023, after the achievement of the financial target to which the Scheme is linked has been verified following the audit conducted by the external auditor and the approval of the 2022 Consolidated Financial Statements by the General Shareholders Meeting.
- Group value creation is determined as the difference in its value between 1 January 2019 to 31 December 2022. The Group's value is defined as a multiple of the consolidated EBITDA less net debt. The payment curve has a minimum threshold of 70% and a maximum threshold of 120%. If the resulting figure attained is less than 70%, no incentive is paid, and if it falls between the minimum threshold (70%) and the maximum threshold (120%), the sum paid is based on the actual percentage attained. Beyond the maximum 120% threshold, 120% remuneration is given regardless of the resulting figure.
- In this regard, the maximum pluriannual variable remuneration for the Company's Executive Director, Mr Francisco López Peña, with a performance percentage of 100%, would be 3,000,000 euros.

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

The evaluation of the achievement of the goals required for the Board of Directors to determine the variable amounts to be paid to Executive Directors is carried out by the Nomination and Compensation Committee on an annual basis, in the case of the annual variable remuneration, and at the end of the accrual period, in the case of the pluriannual variable remuneration. As both variable remuneration systems (annual and pluriannual remuneration) are linked, among others, to quantifiable financial and economic goals that are included in the Group's Consolidated Financial Statements, the variable remuneration is paid following

the audit and the approval of the statements by the General Shareholders Meeting.

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

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

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

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

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

The contractual conditions established in relation to this kind of payment or compensation in the contracts signed between the Company and the Directors with executive duties are set out in the following section.

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

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

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

**Characteristics of the contract of the Executive Director, Mr Francisco López  
Peña:**

- Term. Definite. The contract became effective on 1 January 2021 and shall remain so until 31 December 2023.
- Exclusivity. Clause establishing the obligation of the Executive Director to provide his services to the Group companies with absolute and exclusive dedication during the term of the contract, unless expressly authorised otherwise.
- Non-compete obligation. Clause establishing the commitment of the Executive Director, during the term of the Contract, not to carry out any activity that may involve competition with any Group company, either directly or indirectly, or through intervening individuals, companies or investments, or of any other kind.
- Post-contractual non-compete agreement. Clause whereby the Executive Director agrees, once the Contract is terminated, not to render any services, either directly or indirectly, on its own account or on behalf of third parties, if concurring or competing with the Company or Group companies. The agreement shall last for 1 year from the contract termination date, and the clause-related compensation is included in the remuneration stipulated in the contract.
- Severance pay. Upon the (i) unilateral dismissal of the Executive Director by the Company, which does not result from a severe negligent breach by him, or (ii) resignation of the Executive Director as a result of a change of control at the Company, the Executive Director shall be entitled to gross severance pay equal to the fixed remuneration in force at the time of dismissal or resignation, which he would have earned had he continued acting as Executive Director from the date of dismissal or resignation (31 December 2023), with a limit of two years regarding his fixed remuneration.
- The Executive Director shall be entitled to be compensated with two years his fixed remuneration under the contract if the two following conditions are met: (i) no incentive is accrued by virtue of the Long-term Incentive Scheme of which the Executive Director is a beneficiary, and (ii) prior to 31 December 2023, he is dismissed or resigns from his duties as Executive Director as a result of a change of control at the Company.
- The total amount of the compensation to be paid, where appropriate, to the Executive Director by virtue of the contract, shall not exceed as a whole two years of his fixed remuneration.
- Claw-back clause. A clause that allows the Company to claim reimbursement of the variable components of the remuneration if it is found that the settlement and payment thereof was fully or partially based on false or inaccurate information or if risks or other circumstances

arise that are unforeseen and have not been undertaken by the Company, which have a material negative effect on the income statement.

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

The Remuneration Policy does not provide for any supplementary remuneration as consideration for services rendered other than those inherent to their position as Directors or for Directors with executive duties..

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

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

However, in 2016, prior to the approval of the aforementioned Policy, the Company offered certain key executives for the Group, including the Executive Director, the possibility of purchasing Company shares at market price. For this purpose, the Company offered loans to these executives at the legal monetary interest rate and, consequently, this loan is not considered for any purpose to be part of the remuneration of the Company Executives or Directors.

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

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

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

- a) A new policy or a modification of the policy already approved by the Board.
- b) Significant changes in the specific decisions established by the Board for the current financial year of the remuneration policy in force with respect to those applied the previous year.

- c) Any proposals that the Board of Directors has agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted and which are proposed for applicability in the current financial year.

As of the date of this report, it is not expected that the Board of Directors will propose to the General Shareholders Meeting the approval of a new Remuneration Policy applicable in the current financial year.

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

<https://www.gestamp.com/HOME/Inversores-y-Accionistas/Gobierno-Corporativo/Consejo-de-Administracion/Politica-de-remuneraciones.aspx>

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

The Ordinary General Shareholders Meeting of the Company held on 6 May 2021 approved as a separate item on the agenda, on an advisory basis, and with 88.42% of votes in favour, the Annual Report on the Remuneration of Company Directors for financial year 2020. This agreement obtained 11.24% votes against and 0.34% abstentions.

As regards the Directors' Remuneration Policy, the proposal of the Board of Directors was submitted to a binding vote at the Company's General Shareholders Meeting held on 6 May 2021 and it was approved by a large majority and, therefore, applied in all its terms, with no amendments to it being.

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

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

previous financial year.

The process followed to apply the Remuneration Policy corresponding to the previous financial year and to determine the individual remunerations of the Directors has been as follows:

The Board of Directors, at its meeting on 16 December 2020, approved by proposal of the Nomination and Compensation Committee, to maintain the amount of the fixed remuneration to be received by the Directors for their status as such, with effect from 1 January 2021. As such, the remuneration of Directors for their status as such continues to be determined as in the previous financial year:

- Fixed remuneration for Board of Directors membership: 80,000 euros per year.
- Fixed remuneration for Committee membership: 15,000 euros per year.
- Fixed remuneration for chairing a Committee: 15,000 euros per year.

The overall remuneration determined for the Directors for their status as such corresponding to financial year 2021 was 920,000 euros per year and, therefore, lower than the overall maximum limit established in the Remuneration Policy in force at that time (1,050,000 euros per year).

In relation to the Executive Directors, following the provisions were approved:

- Executive Chairman:
  - Annual fixed remuneration: 714,000 euros.
  - Annual variable remuneration: 306,000 euros.
- Executive Director: As a result of the voluntary resignation of the Executive Director, Mr. Francisco López Peña, from his position as Chief Executive Officer of the Company with effect from 1 January 2021 and based on the new executive functions assigned, the following remuneration was agreed, reflected alike in the commercial contract approved by the Board of Directors on 20 November 2020, following the proposal of the Nomination and Compensation Committee.
  - Annual fixed remuneration: 300,000 euros.
  - Annual variable remuneration: An annual variable remuneration component was not defined in its remuneration structure.
  - Long-term variable remuneration. It was agreed to maintain the long-term incentive of which he was previously a beneficiary, the amount of which amounts to 3,000,000 euros for a level of achievement of 100%.

Furthermore, during its meeting held on 23 February 2021, the Nomination and

Compensation Committee verified the degree of compliance with the variable remuneration component of Executive Director, as for financial year 2020, well as the outcome of such component. On that same date, the Board of Directors approved the related distribution. In this regard, the percentage of achievement of the 2020 goals was 72.4%. As a result, this performance level gave rise to the following amounts:

- Executive Chairman: 221,544 euros.
- Executive Director: 184,620 euros.

The amounts reflected were paid after the external audit and approval of the Group's Consolidated Financial Statements at the Company's General Shareholders Meeting held on 6 May 2021.

On 29 March 2021, the Board of Directors submitted a new Remuneration Policy for the approval of the General Shareholders Meeting, the amendments of which, compared with the previous Policy, consisted of: (i) adapting the principles on which the remuneration of directors is based to the amendments made to the Good Governance Code of Listed Companies; (ii) increasing the overall maximum amount of the annual remuneration of directors for their status as such in anticipation of the appointment of an additional member of the Board and the creation of a new specialised Committee within the Board of Directors; (iii) developing in greater detail the criteria for measuring the financial component of the variable annual remuneration; (iv) including non-financial criteria in determining the annual variable remuneration of directors with executive duties and, finally; (v) adapting the wording of the contractual conditions applicable to executive directors in line with the provisions of the Good Governance Code of listed companies in general. Subsequently, the Company's General Shareholders Meeting held on 6 May 2021 approved, among other matters submitted for approval, the aforementioned new Policy, as well as the increase in the composition of the Company's Board of Directors from 12 to 13 members. In accordance to the provisions of the General Shareholders' Meeting's mentioned agreements:

1. On 6 May 2021, the Board of Directors appointed, through the co-option system, following a report by Nomination and Compensation Committee, Ms Loreto Ordoñez Solís as Independent Director.
2. Subsequently, on 3 June 2021, the Board of Directors approved the creation of the Sustainability Committee, specialising in ESG (Environmental, Social



and Governance) matters, and appointed its members and chairperson.

Furthermore, the Nomination and Compensation Committee, at its meeting of 20 December 2021, proceeded to verify compliance with the Remuneration Policy in force and applied in financial year 2021, taking into account the introduced modifications for 2021 mentioned above, i.e., the appointment of a new Independent Director and the creation of the new Sustainability Committee.

In February 2022, for the purpose of preparing the Group's financial statements, the Nomination and Compensation Committee will verify the degree of compliance with the variable remuneration component of the Executive Directors and its sum, but payment will not be paid until the Group's Consolidated Financial Statements corresponding to 2021 have been externally audited and approved at the General Shareholders Meeting.

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

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

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

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

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

The main objective of the Company's Remuneration Policy is the sustained creation of value for the Group over time, ensuring the transparency and objectivity thereof. In this regard, remuneration for Executives, in addition to fixed remuneration, consists of:

- Annual variable remuneration. Both the financial and non-financial elements of the annual variable remuneration are linked to the value of the Group and, due to the recurring nature, also avoid excessive risk-taking.
- Pluriannual variable remuneration. Pluriannual variable remuneration pursues the creation of long-term value, fosters retention and motivation of Management staff and aligns their interests with those of the Company, as defined in the Group's Strategic Plan at any time, thus also indirectly aligning them with the shareholders' interests in terms of contributing to the generation of value for shareholders. As it is a long-term target, risk taking is reduced.

Additionally, both systems are based on strictly objective criteria.

All of the targets set per year for the directors with executive duties, as well as their levels of achievement, are proposed by the Nomination and Compensation Committee and are not paid until the Group's Consolidated Financial Statements have been audited and approved by the Company's General Shareholders Meeting.

The contracts of the Executive Directors include a claw-back clause that allows the Company to claim reimbursement of the variable components of the remuneration if it is found that the settlement and payment thereof was fully or partially based on false or inaccurate information or if risks or other circumstances arise that are unforeseen and have not been undertaken by the Company, which have a material negative effect on the income statement.

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

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

The Nomination and Compensation Committee, in its meeting on 20 December 2021, verified and confirmed the compliance of the Remuneration Policy applied in 2021. As regards the remuneration of directors for their status as such, the following amounts were verified for financial year 2021, as agreed by the Board of Directors of 17 December 2020, taking into account the appointment of the new Independent Director and the creation of a new ESG Sustainability Committee. Furthermore, it was verified that the amounts paid did not exceed the maximum annual amount of 1,200,000 euros defined in the effective Remuneration Policy. The aggregate amount accrued and paid for all directors in 2021 according to the position held are as follows:

- Fixed remuneration for Board of Directors membership: 852,222 euros.
- Fixed remuneration for committee membership: 124,667 euros.
- Fixed remuneration for chairing a committee: 38,667 euros.

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

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

Similarly, with respect to the fixed remuneration of directors with executive duties, the Nomination and Compensation Committee, in a meeting held on 20 December 2021, concluded that it complied with the Remuneration Policy and the resolutions agreed upon for financial year 2021 by the Board of Directors, as proposed by the Nomination and Compensation Committee, in its meeting of 17 December 2020.

The amount and nature of the fixed components of the remuneration of the Executive Directors that were accrued in 2021 were as follows:

- Fixed remuneration of the Executive Chairman of the Board of Directors: 714,000 euros.
- Fixed remuneration of the Executive Director: 300,000 euros.

The annual variable remuneration of the Executive Chairman is based on financial and non-financial criteria. With regard to the financial criteria of an economic and financial nature, any variation in the Company's results has a direct impact on this remuneration. In terms of the non-financial goals, the annual variable remuneration is linked to the degree of achievement of Company's strategic transformation project, called ATENEA, which will make it possible, through different initiatives with an impact on the entire organisation, to improve the efficiency and effectiveness of processes and systems, as well as the organisation and culture of the Company, ensuring, in a broad sense, the Company's long-term sustainability.

The degree of achievement of the goals is estimated at 101.9% for financial year 2021, after the 2021 Consolidated Financial Statements are audited by the external auditor and approved by the Company's General Shareholders Meeting. If this level of achievement is confirmed, the annual variable remuneration of the Executive Chairman of the Board of Directors would be 311,814 euros.

In February, the Nomination and Compensation Committee will verify the compliance with the Remuneration Policy in terms of the variable remuneration of Executive Chairman, once the Consolidated Financial Statements for financial year 2021 have been drawn up.

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

	Number	% of total
Votes cast	503,173,214	87.43

	Number	% of votes cast
Votes against	56,553,286	11.24
Votes in favour	444,882,299	88.42
Blank Votes	0	0
Abstentions	1,737,629	0.34

Remarks

**B.5 Explain how has been determined the fixed components accrued and consolidated during the year by the directors according to the position held, their relative proportion and how they have changed with respect to the previous year**

The remuneration of Directors for their status as such exclusively consists of fixed remuneration for belonging to the Board of Directors and for belonging to and/or chairing any of its committees, as established in the Remuneration Policy. No other fixed or variable component is included in the remuneration of Directors for their status as such. Said remuneration was established for financial year 2021 by the Board of Directors at its meeting on 17 December 2020, on the proposal of the Nomination and Compensation Committee, agreeing to maintain the same amounts as in the previous financial year, as explained in section B.1.

To determine the relative proportion of each Director's fixed remuneration for the year

ended and the previous year, we have considered the remuneration paid in 2021, taking into account the creation of a new committee, new incorporations and changes as regards the chairmanship, as set out below:

Name	Relative weight 2021	Relative weight 2021
Mr. ALBERTO RODRÍGUEZ-FRAILE DÍAZ	10,8%	11,9%
Mrs. ANA GARCÍA FAU	10,5%	10,3%
Mr. CÉSAR CERNUDA REGO	9,6%	8,6%
Mr. PEDRO SAINZ DE BARANDA	9,4%	10,3%
Mr. JAVIER RODRÍGUEZ PELLITERO	9,7%	11,9%
Mrs. CONCEPCIÓN RIVERO BERMEJO	8,7%	8,6%
Mr. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	9,4%	10,3%
Mr. NORIMICHI HAYAYAMA	7,9%	6,5%
Mr. JUAN MARÍA RIBERAS MERA	9,4%	10,3%
Mr. TOMOFUMI OSAKI	2,0%	6,5%
Mrs. LORETO ORDOÑEZ	6,0%	0%
Mrs. CHISATO EIKI	6,8%	0%
Mr. SHINICHI HORI	0%	2,5%
Mr. KATSUTOSHI YOKOI	0%	2,5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The change compared to 2020 is generally due to the resolution of the Board of Directors to reduce the fixed remuneration by 15% for the entire financial year 2020, reduction that has not been applied in 2021.

The remuneration of each of the Directors according to the position held during the 2021 financial year has followed the following functions:

- Mr Alberto Rodríguez-Fraile Díaz according to the position held was remunerated as a member of the Board of Directors for his membership of the Nomination and Compensation Committee and his chairing of it.
- Ms Ana García Fau according to the position held was remunerated as a member of the Board of Directors, for her membership of the Audit Committee and for chairing said committee from 24 March 2021 (replacing Mr Javier Rodríguez Pellitero due to the expiry of his term of office as chairman of said

committee).

- Mr César Cernuda Rego according to the position held was remunerated as a member of the Board of Directors, as well as for his membership and chairmanship of the Sustainability Committee with effect from 3 June 2021, the date of creation of the aforementioned committee.
- Mr Pedro Sainz De Baranda according to the position held was remunerated as a member of the Board of Directors and for his membership of the Nomination and Compensation Committee.
- Mr Javier Rodríguez Pellitero according to the position held was remunerated as a member of the Board of Directors, for his membership of the Audit Committee and for chairing it until 24 March 2021, date on which he was replaced due to the expiration of his term of office.
- Ms Concepción Rivero Bermejo according to the position held was remunerated as a member of the Board of Directors and for her membership of the Sustainability Committee since its creation, effective 3 June 2021.
- Mr Gonzalo Urquijo Fernández De Araoz according to the position held was remunerated as a member of the Board of Directors and for his membership of the Nomination and Compensation Committee.
- Mr Norimichi Hatayama according to the position held was remunerated exclusively as a member of the Board of Directors.
- Mr Juan María Riberas Mera according to the position held was remunerated as a member of the Board of Directors and for his membership of the Audit Committee.
- Mr Tomofumi Osaki according to the position held was remunerated as a member of the Board of Directors up to 28 March 2021, the date he stepped down.
- Ms Loreto Ordóñez Solís according to the position held was remunerated as a member of the Board of Directors from 6 May 2021, the date she was appointed, and for her membership of the Sustainability Committee since its creation, effective 3 June 2021.
- Ms Chisato Eiki according to the position held was remunerated as a member of the Board of Directors, effective from 1 April 2021, and for her membership of the Sustainability Committee since its creation, effective 3 June 2021.

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

The remuneration of Executive Directors for financial year 2021 was established by the Board of Directors in its meeting held on 17 December

2020, on proposal of the Nomination and Compensation Committee. The following amounts were agreed at this meeting:

- Executive Chairman: It was agreed to maintain the same remuneration applied in the previous year:
  - Annual fixed remuneration: 714,000 euros.
  - Annual variable remuneration: 306,000 euros.
- Executive Director: On 5 November 2020, the Board of Directors acknowledged the voluntary resignation of Mr Francisco López Peña as Managing Director of the Company, effective 1 January 2021, and approved his new remuneration, as well as the conditions of the new commercial contract for the development of his new executive functions of a more limited nature than those he had as CEO. In this regard, fixed remuneration was reduced by 53.4%, annual variable remuneration was removed and multi-year variable remuneration was maintained, leaving the Executive Director's remuneration as follows:
  - Annual fixed remuneration: 300,000 euros per year.
  - Pluriannual variable remuneration: 3,000,000 euros, assuming a performance percentage of 100%.

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

In particular:

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

- d Where applicable, report on the terms established for accrual, consolidation or deferment of consolidated amount payments applied and/or the withholding/non-disposal periods concerning shares or other financial instruments, should they exist..

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

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

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

The Nomination and Compensation Committee assesses the achievement of goals to determine the variable amounts to be paid to Directors with executive duties. Once the amount is determined, it is distributed by the Board of Directors. As both the annual variable remuneration and the pluriannual variable remuneration are variable remuneration systems linked to the achievement of quantifiable financial and economic goals that are included in the Group's Consolidated Financial Statements, the assessment process is carried out after the Statements have been externally audited and approved by the General Shareholders Meeting.

In this regard and as detailed in section B1 of this report, on 29 March 2021 the Board of Directors resolved to submit for approval by the General Shareholders Meeting the proposal of the current Remuneration Policy, submitted by the Nomination and Compensation Committee, whose modifications with respect to the previous Policy consisted, with respect to this heading, of: further developing the measurement criteria for financial targets for annual variable remuneration and include non-financial measurement criteria in the determination of annual variable remuneration for Directors with executive duties. The Company's General Shareholders Meeting on 6 May 2021 approved the new Policy.

Subsequently, the Board of Directors, at its meeting on 27 July 2021, approved, at the proposal of the Nomination and Compensation Committee, the modification of the annual variable remuneration system applicable to the Company's eligible employees, with the aim of incorporating elements of a non-financial nature to said remuneration system. In this regard, it was approval was given to modify the relative weights of the annual variable remuneration system, with the financial component having a relative



weight of 75% and the non-financial component having a weight of 25%. In addition, the financial elements and their relative weights were modified, leaving the annual variable remuneration system as follows:

- The financial component is linked to the fulfilment of two economic-financial goals with different levels of weighting: 60% linked to the consolidated EBITDA and 40% linked to the cash flow established in the annual budget. The degree of fulfilment is calculated by comparing the actual value attained during the year with the target value set out in the annual budget.
- The non-financial component is linked to fulfilment of the Group's strategic transformation plan, known as ATENEA, presented to the Company's Board of Directors on 14 September 2021, which is made up of various initiatives with a global scope and a time horizon of several years. The degree of fulfilment is calculated on the basis of the level of achievement of the commitments made for the reference year, which are approved and monitored by the project's Management Committee.

Remuneration is calculated by taking the target variable remuneration as the basis and applying a percentage to the amount based on the degree of fulfilment of each goal and their relative weight. The maximum remuneration that can be received is 120% of the target annual variable remuneration. Below 70% fulfilment, no remuneration would be received for the component in question.

The annual variable remuneration of the Executive Chairman of the Board of Directors in 2021 was 306,000 euros as provided for in the Remuneration Policy, approved by the Ordinary General Shareholders Meeting on 6 May 2021.

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

The aim of the 2019-2022 Long-term Incentive Scheme, which was approved by the Board of Directors, on proposal of the Nomination and Compensation Committee, in a meeting held on 29 October 2020, of which the Executive Director, Mr Francisco López Peña, is a beneficiary (along with other Company Directors), is to create value in the Group during said period. The Scheme is linked to the fulfilment of a strictly economic-financial target. If the target is met, the beneficiaries shall receive a cash sum within the first six months of 2023, after verification that the financial target to which the Scheme is linked has been achieved, following the external audit and approval by the General Shareholders Meeting of the 2022 Consolidated Financial Statements. The creation of value is determined as a multiple of the consolidated EBITDA less net indebtedness. The payment curve has a minimum threshold of 70% and a maximum threshold of 120%. If the resulting figure attained is less than 70%, no sum whatsoever will be paid, and if it falls between the minimum threshold (70%) and the maximum threshold (120%), the sum paid will depend on the actual

percentage attained. Beyond the maximum 120% threshold, 120% remuneration will be given regardless of the resulting figure.

In this regard, the pluriannual variable remuneration for the Executive Director, Mr Francisco López Peña, under the Scheme, with a performance percentage of 100%, would be 3,000,000 euros.

- B.8** State whether certain variable components have been reduced or claimed back when, in the first case, payment has been consolidated and deferred or, in the second case, consolidated and paid, on the basis of data which has subsequently been proven to be manifestly inaccurate. Describe the amounts reduced or refunded by applying the clawback clauses, why they were executed, and the years to which they relate.

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

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

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

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

On 28 March, the Proprietary Director, Mr Tomofumi Osaki, resigned voluntarily, without his voluntary early resignation entailing any indemnity or any other type of payment.

In this regard, during 2021, there has been no payment or compensation for normal or

early termination, or arising from the normal or early termination of a contractual relationship in relation to any of the members of the Board of Directors.

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

During 2021, no significant changes have arisen in the contracts of those performing senior management duties, such as Executive Directors. In addition, the main terms of the contracts signed with the Executive Directors are explained in section A.1.

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

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

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

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

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

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

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

With regard to Directors with executive duties, Mr Francisco López Peña has a company vehicle and life insurance, in accordance with the policy established for

employees who form part of the Group's corporate services and the provisions in the Remuneration Policy. The amounts accrued during 2021 are as follows:

- Life insurance premiums, amounting to 10,287 euros.
- Company car amounting to 6,969 euros.

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

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

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

The remuneration accrued by the members of the Board of Directors appointed by the General Shareholders Meeting on the proposal of Acek Desarrollo y Gestión Industrial, S.L., in compliance with the aforementioned shareholders' agreement –namely, Mr Tomofumi Osaki (who resigned on 28 March 2021) and Mr Norimichi Hatayama and Ms Chisato Eiki (whose were appointed on 2 April 2020 and 29 March 2021, respectively)–, totalled 168,667 euros during financial year 2021 and were paid, at the explicit request of the Proprietary Directors, into an account belonging to Mitsui & Co., Ltd.

**B.16** Explain and detail the amounts accrued in the year in relation to any other remuneration item other than the above, whatever its nature or the group entity that pays it, including all benefits in any of their forms, such as when considered linked transaction or, especially, when it significantly affects the faithful image of the total remuneration accrued by the director, and the amount granted or pending payment must be explained, the nature of the consideration received and the reasons why it would have been considered, if applicable, that it does not constitute remuneration to the director for his status as such or in consideration for the performance of his executive functions, and whether or not it has been considered appropriate to include it among the amounts accrued in the "other concepts" section of the C section.

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

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**C**

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

<i>Name</i>	<i>Type</i>	<i>Accrual period: 2021 financial year</i>
MR. FRANCISCO JOSÉ RIBERAS MERA	Executive Chairman	From 01/01/2021 to 31/12/2021
MR. FRANCISCO LÓPEZ PEÑA	Executive	From 01/01/2021 to 31/12/2021
MR. ALBERTO RODRÍGUEZ-FRAILE DÍAZ	Independent Director	From 01/01/2021 to 31/12/2021
MRS. ANA GARCÍA FAU	Independent Director	From 01/01/2021 to 31/12/2021
MR. CÉSAR CERNUDA REGO	Independent Director	From 01/01/2021 to 31/12/2021
MR. PEDRO SAINZ DE BARANDA	Independent Director	From 01/01/2021 to 31/12/2021
MR. JAVIER RODRÍGUEZ PELLITERO	Independent Director	From 01/01/2021 to 31/12/2021
MRS. CONCEPCIÓN RIVERO BERMEJO	Independent Director	From 01/01/2021 to 31/12/2021
MR. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	Other-external Director	From 01/01/2021 to 31/12/2021
MR. NORIMICHI HATAYAMA	Proprietary Director	From 01/01/2021 to 31/12/2021
MR. JUAN MARÍA RIBERAS MERA	Independent Director	From 01/01/2021 to 31/12/2021
MR. TOMOFUMI OSAKI	Proprietary Director	From 01/01/2021 to 28/03/2021
MRS. LORETO ORDOÑEZ SOLÍS	Independent Director	From 06/05/2021 to 31/12/2021
MRS. CHISATO EIKI	Proprietary Director	From 01/04/2021 to 31/12/2021

B.1.1 Complete the following tables on the individual remuneration for each of the directors (including remuneration for performing executive duties) accrued during the year.

a) **Remuneration from the company issuing this report:**

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

<b>Name</b>	<b>Fixed remuneration</b>	<b>Attendance fees</b>	<b>Remuneration for membership on board committees</b>	<b>Salaries</b>	<b>Short-term variable remuneration</b>	<b>Long-term variable remuneration</b>	<b>Severance payments</b>	<b>Other items</b>	<b>Total year t</b>	<b>Total year t - 1</b>
MR. FRANCISCO JOSÉ RIBERAS MERA	0	0	0	714	312	0	0	0	1.026	579
MR. FRANCISCO LÓPEZ PEÑA	0	0	0	300	0	0	0	17	317	724
MR. ALBERTO RODRÍGUEZ-FRAILE DÍAZ	80	0	30	0	0	0	0	0	110	94
MRS. ANA GARCÍA FAU	80	0	27	0	0	0	0	0	107	81
MR. CÉSAR CERNUDA REGO	80	0	17	0	0	0	0	0	97	68
MR. PEDRO SAINZ DE BARANDA	80	0	15	0	0	0	0	0	95	81
MR. JAVIER RODRÍGUEZ PELLITERO	80	0	19	0	0	0	0	0	99	94
MRS. CONCEPCIÓN DEL RIVERO BERMEJO	80	0	9	0	0	0	0	0	89	68
MR. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	80	0	15	0	0	0	0	0	95	81
MR. NORIMICHI HATAYAMA	80	0	0	0	0	0	0	0	80	51
MR. JUAN MARÍA RIBERAS MERA	80	0	15	0	0	0	0	0	95	81
MR. TOMOFUMI OSAKI	20	0	0	0	0	0	0	0	20	51
MRS. LORETO ORDOÑEZ SOLÍS	52	0	9	0	0	0	0	0	61	0
MRS. CHISATO EIKI	60	0	9	0	0	0	0	0	69	0

**Remarks**

Mr. Tomofumi Osaki resigned with effects as of 28/03/2021.

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Mrs. Chisato Eiki was appointed member of the Board on 29/03/2021 with effects as of 01/04/2021.

Mrs. Loreto Ordoñez Solís was appointed member of the Board on 06/05/2021.

On March 24, 2021, Mrs. Ana Garcia Fau was appointed Chairman of the Audit Committee.

On June 3, 2021, the Sustainability Committee was established, chaired by Mr. César Cernuda Rego, with Mrs. Concepción del Rivero Bermejo, Mrs. Loreto Ordoñez Solís and Mrs. Chisato Eiki as members.

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

Name	Scheme name	Financial Instruments at beginning of year t		Financial Instruments granted during year t		Financial instruments consolidated during the year				Mature instruments not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/consolidated shares	Price of consolidated shares	Gross profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Scheme 1											
	Scheme 2											

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<b>Remarks</b>

iii) **Long-term savings systems**

	<b>Remuneration for consolidation of rights in savings systems</b>
<b>Director 1</b>	

Name	Company's contribution for the year (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights					
	Year t	Year t-1	Year t	Year t-1	Year t		Year t-1	
					Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
<b>Director 1</b>								

<b>Remarks</b>



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**iv) Details of other items**

<b>Name</b>	<b>Item</b>	<b>Remuneration Amount</b>
<b>Director 1</b>		

<b>Remarks</b>

**b) Remuneration for the Company Directors for membership on the boards of other Group companies:**

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

<b>Name</b>	<b>Fixed remuneration</b>	<b>Attendance fees</b>	<b>Remuneration for membership on board committees</b>	<b>Salaries</b>	<b>Short-term variable remuneration</b>	<b>Long-term variable remuneration</b>	<b>Severance payments</b>	<b>Other items</b>	<b>Total for the year 2018</b>	<b>Total for the year 2017</b>
MR. FRANCISCO JOSÉ RIBERAS MERA	0	0	0	0	0	0	0	0	0	0
MR. FRANCISCO LÓPEZ PEÑA	0	0	0	0	0	0	0	0	0	0
MR. ALBERTO RODRÍGUEZ-FRAILE DÍAZ	0	0	0	0	0	0	0	0	0	0
MRS. ANA GARCÍA FAU	0	0	0	0	0	0	0	0	0	0
MR. CÉSAR CERNUDA REGO	0	0	0	0	0	0	0	0	0	0
MR. PEDRO SAINZ DE BARANDA	0	0	0	0	0	0	0	0	0	0

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MR. JAVIER RODRÍGUEZ PELLITERO	0	0	0	0	0	0	0	0	0	0
MRS. CONCEPCIÓN DEL RIVERO BERMEJO	0	0	0	0	0	0	0	0	0	0
MR. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	0	0	0	0	0	0	0	0	0	0
MR. NORIMICHI HATAYAMA	0	0	0	0	0	0	0	0	0	0
MR. JUAN MARÍA RIBERAS MERA	0	0	0	0	0	0	0	0	0	0
MR. TOMOFUMI OSAKI	0	0	0	0	0	0	0	0	0	0
MRS. LORETO ORDOÑEZ SOLÍS	0	0	0	0	0	0	0	0	0	0
MRS. CHISATO EIKI	0	0	0	0	0	0	0	0	0	0

<b>Remarks</b>

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

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Name	Scheme name	Financial instruments at beginning of year t		Financial Instruments granted during year t		Financial instruments consolidated during the year				Mature instruments not exercised	Financial instruments at end of year t	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/consolidated shares	Price of consolidated shares	Gross profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
Director 1	Scheme 1											
	Scheme 2											
Remarks												

iii) Long-term savings systems

	Remuneration for consolidation of rights in savings systems
Director 1	

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Name	Company's contribution for the year (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights					
	Year t	Year t-1	Year t	Year t-1	Year t		Year t-1	
					Systems with consolidated economic rights	Systems with unconsolidated economic rights	Systems with consolidated economic rights	Systems with unconsolidated economic rights
<b>Director I</b>								

Remarks

iv) **Details of other items**

Name	Item	Remuneration Amount
<b>Director I</b>		

Remarks

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

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

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Name/Type	Remuneration accrued at the Company					Remuneration accrued at Group companies					
	Total cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total year t company	Total cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration for savings systems	Remuneration for other items	Total year t Group	Total financial year t company + group
MR. FRANCISCO JOSÉ RIBERAS MERA	1.026	0	0	0	<b>1.026</b>	0	0	0	0	0	<b>1.026</b>
MR. FRANCISCO LÓPEZ PEÑA	317	0	0	0	<b>317</b>	0	0	0	0	0	<b>317</b>
MR. ALBERTO RODRÍGUEZ-FRAILE DÍAZ	110	0	0	0	<b>110</b>	0	0	0	0	0	<b>110</b>
MRS. ANA GARCÍA FAU	107	0	0	0	<b>107</b>	0	0	0	0	0	<b>107</b>
MR. CÉSAR CERNUDA REGO	97	0	0	0	<b>97</b>	0	0	0	0	0	<b>97</b>
MR. PEDRO SAINZ DE BARANDA	95	0	0	0	<b>95</b>	0	0	0	0	0	<b>95</b>
MR. JAVIER RODRÍGUEZ PELLITERO	99	0	0	0	<b>99</b>	0	0	0	0	0	<b>99</b>
MRS. CONCEPCIÓN DEL RIVERO BERMEJO	89	0	0	0	<b>89</b>	0	0	0	0	0	<b>89</b>
MR. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	95	0	0	0	<b>95</b>	0	0	0	0	0	<b>95</b>
MR. NORIMICHI HATAYAMA	80	0	0	0	<b>80</b>	0	0	0	0	0	<b>80</b>
MR. JUAN MARÍA RIBERAS MERA	95	0	0	0	<b>95</b>	0	0	0	0	0	<b>95</b>
MR. TOMOFUMI OSAKI	20	0	0	0	<b>20</b>	0	0	0	0	0	<b>20</b>
MRS. LORETO ORDOÑEZ SOLÍS	61	0	0	0	<b>61</b>	0	0	0	0	0	<b>61</b>
MRS. CHISATO EIKI	69	0	0	0	<b>69</b>	0	0	0	0	0	<b>69</b>
	<b>2,359</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,359</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,359</b>

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<b>Remarks</b>

C.2. Indicate the evolution in the last 5 years of the amount and percentage variation of the remuneration earned by each of the directors of the listed company who have been directors during the year, of the consolidated results of the company and of the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

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	Total amounts accrued and % annual variation								
	Year 2021	% variation 2021/2020	Year 2020	% variation 2020/2019	Year 2019	% variation 2019/2018	Year 2018	% variation 2018/2017	Year 2017
Executive									
MR. FRANCISCO JOSÉ RIBERAS MERA	1026	77%	579	-41%	974	1%	960	28%	752
MR. FRANCISCO LÓPEZ PEÑA	317	-56%	724	-9%	793	2%	780	57%	498
External									
MR. ALBERTO RODRÍGUEZ-FRAILE DÍAZ	110	17%	94	-15%	110	5%	105	33%	79
MRS. ANA GARCÍA FAU	107	32%	81	-15%	95	6%	90	34%	67
MR. CÉSAR CERNUDA REGO	97	43%	68	-15%	80	7%	75	34%	56
MR. PEDRO SAINZ DE BARANDA	95	17%	81	-15%	95	6%	90	34%	67

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MR. JAVIER RODRÍGUEZ PELLITERO	99	5%	94	-15%	110	5%	105	33%	79
MRS. CONCEPCIÓN DEL RIVERO BERMEJO	89	31%	68	100%	34	-	0	-	0
MR. GONZALO URQUIJO FERNÁNDEZ DE ARAOZ	95	17%	81	-15%	95	6%	90	34%	67
MR. NORIMICHI HATAYAMA	80	57%	51	-	-	-	-	-	-
MR. JUAN MARÍA RIBERAS MERA	95	17%	81	-15%	95	6%	90	34%	67
MR. TOMOFUMI OSAKI	20	-61%	51	155%	20	-73%	75	34%	56
MRS. LORETO ORDOÑEZ SOLÍS	61	-	0	-	0	-	0	-	0
MRS. CHISATO EIKI	69	-	0	-	0	-	0	-	0
<b>Consolidated results of the Company (K EUROS)</b>	<b>277,712</b>	<b>-267%</b>	<b>-166,545</b>	<b>-150%</b>	<b>334,082</b>	<b>-7%</b>	<b>357,396</b>	<b>-3%</b>	<b>370,179</b>



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Employee average remuneration	32.1	7%	30.1	-2%	30.7	3%	29.7	3%	28.7
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Remarks
<p><b>Note 1: Variation in the amounts between 2020 and 2021:</b> The variation in remuneration between 2020 and 2021 is due to the resolution of the Board of Directors establishing the reduction of the fixed remuneration of the members of the Board of Directors as a consequence of the COVID 19 health crisis, which resulted in the following adjustment, applicable only in 2020:</p> <ul style="list-style-type: none"><li>• Directors for their status as such: reduction of 15% of total remuneration (fixed remuneration) for the entire 2020 financial year.</li><li>• Executive Chairman of the Company: 50% reduction of fixed remuneration for the entire 2020 financial year.</li><li>• Executive Director (in 2020 Chief Executive Officer of the Company): 15% reduction of fixed remuneration for the duration of the crisis, effective from May to October 2020, inclusive.</li></ul>
<p><b>Note 2: Individual compensation:</b> To determine the relative proportion of compensation in the different fiscal years reported, we have considered the compensation paid, taking into account the creation of new committees, terminations, as well as new additions. Specifically, the remuneration reported in fiscal year 2021 is due to the following functions of each of the directors:</p> <ul style="list-style-type: none"><li>• Mr Alberto Rodríguez-Fraile Díaz according to the position held was remunerated as a member of the Board of Directors for his membership of the Nomination and Compensation Committee and his chairing of it.</li><li>• Ms Ana García Fau according to the position held was remunerated as a member of the Board of Directors, for her membership of the Audit Committee and for chairing said committee from 24 March 2021 (replacing Mr Javier Rodríguez Pellitero due to the expiry of his term of office as chairman of said committee).</li><li>• Mr César Cernuda Rego according to the position held was remunerated as a member of the Board of Directors, as well as for his membership and chairmanship of the Sustainability Committee with effect from 3 June 2021, the date of creation of the aforementioned committee.</li><li>• Mr Pedro Sainz De Baranda according to the position held was remunerated as a member of the Board of Directors and for his membership of the Nomination and Compensation Committee.</li><li>• Mr Javier Rodríguez Pellitero according to the position held was remunerated as a member of the Board of Directors, for his membership of the Audit Committee and for chairing it until 24 March 2021, date on which he was replaced due to the expiration of his term of office.</li><li>• Ms Concepción Rivero Bermejo according to the position held was remunerated as a member of the Board of Directors and for her membership of the Sustainability Committee since its creation, effective 3 June 2021.</li><li>• Mr Gonzalo Urquijo Fernández De Araoz according to the position held was remunerated as a member of the Board of Directors and for his membership of the Nomination and Compensation Committee.</li><li>• Mr Norimichi Hatayama according to the position held was remunerated exclusively as a member of the Board of Directors.</li><li>• Mr Juan María Riberas Mera according to the position held was remunerated as a member of the Board of Directors and for his membership of the Audit Committee.</li><li>• Mr Tomofumi Osaki according to the position held was remunerated as a member of the Board of Directors up to 28 March 2021, the date he stepped down.</li><li>• Ms Loreto Ordóñez Solís according to the position held was remunerated as a member of the Board of Directors from 6 May 2021, the date she was appointed, and for her membership of the Sustainability Committee since its creation, effective 3 June 2021.</li><li>• Ms Chisato Eiki according to the position held was remunerated as a member of the Board of Directors, effective from 1 April 2021, and for her membership of the Sustainability Committee since its creation, effective 3 June 2021.</li></ul>
<p><b>Note 3: Other data:</b> For average employee remuneration, it has been taken information referring to Salaries plus Employee Benefits reflected in the Group's Consolidated Financial Statements.</p>

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**D OTHER INFORMATION OF INTEREST**

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

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This annual report on remuneration was approved by the Company's Board of Directors at its meeting held on 28 February 2022.

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

Yes  No

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