

**EXPLANATORY REPORT ISSUED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE ON THE PROPOSED AMENDMENT TO THE REMUNERATION POLICY FOR DIRECTORS OF GESTAMP AUTOMOCIÓN, S.A.**

**1. BACKGROUND**

On 26 June 2020, the National Securities Market Commission (“CNMV”) published the reform of the *Good governance code of listed companies* (the “Code” or the “CBG”) after reviewing the Code published in 2015. This reform seeks to keep corporate governance of listed companies aligned with the highest international standards and to incorporate several amendments to the law which have been passed since 2015. Among the new features introduced in the Code, particularly noteworthy are the new features relating to sustainability and, specifically, the express reference made by the Code regarding specialist committees on this matter. In this regard, it is expected that the Board of Directors of Gestamp Automoción, S.A. (hereinafter “Gestamp” or the “Company” or the “Group”) will set up a specific sustainability committee to perform environmental, social and corporate governance duties.

It is also expected that the next Ordinary General Meeting of the Company will increase the number of members on the Company’s Board of Directors from twelve to thirteen and that the Appointments and Remuneration Committee will propose the appointment of a new Director to the Board of Directors for submission to the aforementioned Meeting.

Moreover, on 5 November 2020, the Gestamp Board of Directors was notified of the voluntary resignation of Mr. Francisco López Peña from his position as the Company’s Chief Executive Officer, effective 1 January 2021, maintaining as of that date his role as Executive Director of the Company. Furthermore, at this meeting, the Board of Directors, following a proposal by the Appointments and Remuneration Committee, approved the new contract between the Executive Director and the Company which regulates his new executive duties.

The three precedents mentioned above make it advisable to amend the Company's Remuneration Policy for Directors in order to adapt it to the changes they have taken place.

## 2. PURPOSE OF THIS REPORT

In compliance with the provisions of article 529(19) section 2 of the Revised Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July (hereinafter, the "**LSC**"), the Appointments and Remuneration Committee issues this report on the proposed amendment to the Remuneration Policy for Directors of Gestamp Automoción, S.A. (the "**Policy**").

The Policy, if approved, will be effective as of 1 January 2021 and will apply to financial years 2021, 2022 and 2023.

## 3. JUSTIFICATION OF THE AMENDMENT

In view of the foregoing, the amendments to the Policy that the Appointments and Remuneration Committee proposes to the Board of Directors for consideration by the General Shareholders' Meeting seek, in general, to bring the Policy in line with the highest standards of good corporate governance, always bearing in mind the specific characteristics and circumstances of the Group, and in particular, the following objectives:

- adapt the principles on which directors' remuneration is based, both in their capacity as such and for the performance of executive duties, to the amendments to the Code;
- increase the overall maximum amount of directors' annual remuneration in their capacity as such in anticipation of the appointment of a new director and also the possible establishment of a new specialist Committee of the Board of Directors;
- with respect to the variable remuneration of directors for the performance of executive duties, develop the criteria for measuring economic-financial objectives;
- also include non-financial criteria in the determination of the annual variable remuneration of directors for the performance of executive duties, such as sustainability from an environmental, social or corporate governance perspective, among others.
- adapt the wording of the contractual conditions applicable to executive directors to the amendments made to the Code in general and, in particular, to the resignation of the Executive Director Mr. Francisco López Peña from his position as Chief Executive Officer; and
- make some improvements to the wording.

#### 4. CONCLUSION

The Appointments and Remuneration Committee considers that the proposed Policy is consistent with the current regulatory framework for directors' remuneration and, thus, submits this explanatory report on the proposed Policy to be submitted for approval at the General Shareholders' Meeting.

*In Madrid, on 24 March 2021*