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# Activity Report for 2022

## Nomination and Compensation Committee

Gestamp Automoción, S.A.

27/02/2023

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## 1. Introduction

The Nomination and Compensation Committee of Gestamp Automoción, S.A. (the “**Company**”) has prepared this activity report (the “**Report**”) that sets out the main activities undertaken by the Committee during financial year 2022.

This report was prepared pursuant to Article 39(j) of the Company’s Board of Directors Regulations and in compliance with the recommendations of the Good Governance Code for Listed Companies, which was approved by the National Securities Market Commission (CNMV) on 26 June 2020 (“**the Good Governance Code**”), and the standards of the Technical Guide 1/2019 on Nomination and Compensation Committees published by the CNMV (the “**Technical Guide 1/2019**”), and shall be made available to the Company’s shareholders when the convening notice for the 2023 Annual General Shareholders’ Meeting is issued.

## 2. Regulations

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

## 3. Composition

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

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

As of 31 December 2022, the Nomination and Compensation Committee has the following members:

Members	Position	Date of Last Appointment	Category
Mr Alberto Rodríguez-Fraile Díaz	Chairperson	06/05/2021	Independent
Mr Gonzalo Urquijo Fernández de Araoz	Member	06/05/2021	Other external directors
Mr Pedro Sainz de Baranda Riva	Member	06/05/2021	Independent
Mr David Vázquez Pascual	Non-member secretary	24/03/2017	N/A

Therefore, as of 31 December 2022 and for the entirety of 2022, the Company's Nomination and Compensation Committee (i) has been formed of three members, two of whom are Independent Directors and (ii) has been chaired by the Independent Director, Mr Alberto Rodríguez-Fraile Díaz.

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

In terms of establishing the profiles of members of the Nomination and Compensation Committee, the Board of Directors opted for Directors who have knowledge of economics, finance and the automotive industry, as well as international experience, and who have sat on other boards of directors in different positions, such that they may offer their experience and provide guidance on the issues to be addressed by the Committee and the Board of Directors. Mr Alberto Rodríguez-Fraile Díaz was appointed Chairperson of the Nomination and Compensation Committee due to his independent status and knowledge, as well as having previously been a member of other boards and having management experience at international companies. Mr Gonzalo Urquijo Fernández de Araoz was also appointed given his experience on other boards of directors and his knowledge and management experience at international industrial groups in the steel and automotive industries. Finally, Mr Pedro Sainz de Baranda Riva was appointed as a member of the Committee due to his extensive experience in managing international companies under different executive positions and his experience on other boards of directors.

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

- <https://www.gestamp.com/Investors-Shareholders/Corporate-Governance/Committees-of-the-Board-of-Directors>
- <https://www.gestamp.com/Investors-Shareholders/Corporate-Governance/Board-of-Directors>

## 4. Functions

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

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

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

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

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

(iii) The types of contracts for Senior Management.

The functions described did not change during the year.

## 5. Operation

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

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

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

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

## 6. Meetings

During the financial year 2022, the Nomination and Compensation Committee met five times and all members of the Committee were in attendance at every meeting.

Furthermore, the Nomination and Compensation Committee met (i) on three occasions with the Company's Human Resources Management to receive advice and to directly address certain matters relating to the nomination and compensation of Directors and Senior Managers, and (ii) once with the Head of Talent Management at the Gestamp Group, to provide an update on their progress.

## 7. Activities

In 2022, the Nomination and Compensation Committee mainly carried out the following activities:

- **Report on the dismissal or appointment of Senior Managers.**

The Nomination and Compensation Committee favourably reported the dismissal and appointment of senior managers during 2022, including, the termination of Mr. Torsten Greiner as General Manager of the Business Mechanism Unite (Edscha) or Mr. Mario Eikermann as senior manager; and the appointment of Mrs. Patricia Riberas López as Director of Transformation and Organization, of Mr. César Pontvianne de la Maza as Director of the Edscha Division and of Mr Ignacio Mosquera Vázquez as the new Corporate Finance Director of the Gestamp Group.

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

The Nomination and Compensation Committee verified how far the 2021 objectives had been achieved in relation to the variable component of the remuneration of Executive Directors and Senior Management, as well as the effect of said component. Moreover, the Nomination and Compensation Committee approved the proposed targets for the accrual of variable remuneration for executive directors and senior management for financial year 2022.

Furthermore, at the end of the financial year it assessed compliance with the Directors' Remuneration Policy, approved at the Company's General Shareholders' Meeting on 6 May 2021, and found that such policy was correctly implemented in 2022 and that, as such, remuneration for directors and for the performance of executive duties was in line with the terms set forth in said policy. The Committee also put forward a proposal to the Board of Directors for the distribution of remuneration of Directors in their capacity as such, as well as for the performance of executive duties for the financial year 2023, in accordance with the provisions of the aforementioned Policy.

The Commission reported favourably on the key terms of contracts between the Company and Senior Managers appointed during the reporting year.

Finally, the Nomination and Compensation Committee, within the limit established by the Directors' Remuneration Policy, has reviewed the remuneration of Directors in their capacity as such for the year 2023, for which it has started from an analysis of remuneration of directors of listed companies.

- **Assessment of the functioning and performance of the Board, its Committees, the Chairperson and the Secretary.**

Pursuant to the terms of Article 36(14) of the Board of Directors Regulations, the Board shall devote its first annual session to assessing its own operation and the operation of the Board Committees during the previous year, based on the report submitted by such Committees, and the performance of their duties by the Chairperson of the Board and the Company's Chief Executive Officer, based on the report submitted by the Nomination and Compensation Committee.

In this respect, the Nomination and Compensation Committee coordinated the assessments of the Board of Directors, its Committees and the Secretary of the Board of Directors for 2022 and, together with the

Coordinating Director, that of the Chairperson of the Board of Directors and prepared the relevant report, as well as a first draft of the Action Plan for submission to the Board of Directors in its first meeting of 2023.

In addition, in the financial year 2022, the Committee kept track of compliance with the action plan approved following the assessment for the financial year 2021.

#### ■ **Activities related to the Company's corporate governance**

The Nomination and Compensation Committee reviewed and favourably reported on the information contained in the Annual Report on the Remuneration of Directors for financial year 2021.

Furthermore, the Committee reviewed the content of the Annual Corporate Governance Report for financial year 2021 in all the sections under its competency.

The Committee proposed the Board's approval of certain changes to the Board of Directors Selection Policy, giving way to what is now known as the Board of Directors Selection and Diversity Policy. It also proposed that the Board of Directors should commit to making sure the Company's diversity measures ensure a significant number of senior managers at the Company, in accordance with the provisions of Recommendation 14 of the Good Governance Code of Listed Companies. It also verified compliance with the Board of Directors Selection and Diversity Policy in 2022.

Meanwhile, the Committee revised the Board of Directors Skills Matrix to include a new skill in risk management, due to its growing significance for various stakeholders.

At the last meeting of the year, the Committee approved a schedule of meetings for financial year 2023.

#### ■ **Other activities.**

In line with section 7 of the Technical Guide, the Nomination and Compensation Committee has kept track of the Board of Directors' attendance at Board and Committee meetings in 2022.

The Committee has also been informed of the progress of the Gestamp Group's Talent Management Project.

## **8. Preparation and approval**

This Report was prepared by the Nomination and Compensation Committee on 27 February 2023 and approved by the Board of Directors on the same date.