

## **REMUNERATION COMMITTEE DECLARATION:**

The Remuneration Committee of Toyota Caetano Portugal, S.A states the following:

### **a) Compliance with the policy set defined for Financial Year of 2020:**

Analyzed all the accounting elements and other items recorded by Toyota Caetano Portugal, it was verified by this Commission that in view of the public health emergency caused by COVID-19 and the economic consequences that we have been experiencing, salary increases were suspended. In this economic context and once COVID 19 pandemic situation is not yet surpassed, it seemed logical that no change in the remuneration of the Governing Bodies occurred during the year 2020. This way and due to the extraordinary conditions stated above, we consider that the fact of the Commission's proposal approved at the General Shareholders Meeting of April 29<sup>th</sup> 2020 not being fulfilled is totally justified.

### **b) Policy of Remuneration applicable during the Financial Year 2021:**

In view of the current economic climate and given the forecasts of activity and results for the financial year 2021, provided by the Management of the Company, it is the understanding of this Committee that the amounts of remuneration of the fixed nature for all members of the governing bodies, who maintain executive functions, must respect in its essence the deliberations of the Management concerning the salary policy to be applied to the remaining Employees, in other words, they must in 2021 not be updated.

For the non-Executive, this Committee has the opinion that they shall not receive any remuneration, as it is the practice hitherto followed.

Regarding the Variable Remuneration of the executive members of the Board of Directors, it has been allocated according to the results obtained by the Company, combining with the distribution policy of dividends to the shareholders and the bonus payable to employees.

During 2020, this remuneration component and concerning 2019 performance, was paid and respected the parameters defined by this Commission.

Therefore, and referring to paragraph b) of number 3 of article 2 of Law 28/2009 of 19th June, this Remuneration Committee proposes the maintenance of the criteria for 2021, namely that the variable remuneration of the Executive Members of the Board of Directors, as a whole, does not exceed 3% of the distributable profits determined in the financial year of 2020.

The decision to award Variable Remuneration depending on the results obtained has implicit the verification of the alignment of interests of the members of the Board of Directors with the interests of the Company and, therefore, is one of the mechanisms to be integrated in paragraph a) of number 3 of article 2 of Law No. 28/2009 of 19 June and simultaneously responding to paragraph e) of the same number of article 2 of Law No.28/2009, ensuring the limitation of the variable remuneration in the case that the results obtained are of a negative nature.

Concerning the information related to paragraph c) of number 3 of article 2 of Law No. 28/2009 of June 19, we certify the absence of any plan of allocation of shares or options to acquire shares by the members of the administration and supervision. This committee proposes to maintain this criterion.

The company's practice in the timing of annual payments must, in our opinion, remain, and therefore shall be excluded the possibility stated in paragraph d) of number 3 of article 2 of Law No. 28/2009.

**The Remuneration Committee**