

# Vote Bulletin – Stellantis NV

**Meeting Type** – Annual

**Meeting Date** – 16 April 2024

## Management Resolution

Item number	Item description	Management recommendation	SSGA vote
2.d	Remuneration Report 2023 (advisory voting)	FOR	AGAINST

## Text of Proposal

Remuneration Report 2023 (advisory voting)

## Analysis

The CEO's pay for FY2023 was EUR 36.5 million, including a EUR 14.3 million transformation award related to the CEO's Transformation Incentive 2021 – 2025. Seventy percent of the award was paid in cash in 2023 based on the achievement of milestones. This exceptional award was approved by the board in mid-2021 to incentivize delivery of Stellantis' 'sustainability mobility transformation strategy'; to recognize the challenges the automotive industry is facing and to reward the CEO's leadership role in the merger of Peugeot SA and Fiat Chrysler Automobiles.

The award was introduced without a shareholder vote in June 2021, and there was a 52-percent dissent from shareholders on the 2021 remuneration report at the 2022 AGM. SSGA voted against the 2021 and 2022 remuneration reports, and expressed reservations about this special award during several engagements with the company. We generally have reservations about awards granted outside of the standard incentive scheme, such as special executive transformational awards. We observe these awards often reward executives for actions widely considered to be within the scope of their responsibilities. When used, we expect a convincing explanation of their necessity and why the current remuneration policy does not, in the board's view, adequately motivate the executive team. Finally, we consider it good governance that special awards be submitted to a shareholder vote.

## SSGA Policy

Shareholders should have the opportunity to assess whether pay structures and levels are aligned with business performance. When assessing remuneration reports, we consider factors such as adequate disclosure of various remuneration elements, absolute and relative pay levels, peer selection and benchmarking, the mix of long-term and short-term incentives, alignment of pay structures with shareholder interests, as well as with corporate strategy and performance. We may oppose remuneration reports where pay seems misaligned with shareholders' interests. Criteria we may consider include use of special grants and one-time awards. In principle, incentives granted in shares rather than in cash offer a stronger alignment with shareholder interests and company performance.

## SSGA Vote

In analysing the remuneration report 2023 we considered the company's size and global footprint, recent performance and improvements in pay practices disclosed during our engagement with Stellantis before the AGM.

We acknowledge the positive changes Stellantis has made to its executive pay practices as a result of investor feedback. However, we continue to have reservations about the appropriateness of the transformation incentive award, especially considering the significant amount driven primarily by the cash-only portion of the award.

For these reasons, we voted AGAINST the remuneration report.

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Exp. Date: 9/30/2025