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**ISSUER'S IDENTIFYING INFORMATION**

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Reference financial year closing date: [ 12/31/2022 ]

Tax ID [ A-20014452 ]



**ANNUAL CORPORATE GOVERNANCE REPORT  
OF LISTED LIMITED COMPANIES**

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Company Name:

[ **CIE AUTOMOTIVE, S. A.** ]

Registered office:

[ ALAMEDA MAZARREDO, 69, 8º (BILBAO) VIZCAYA ]

**A. OWNERSHIP STRUCTURE**

A.1. Complete the following table on the share capital and voting rights attributed, including any corresponding to shares with loyalty voting, as of the closing date of the financial year:

Indicate whether the company's bylaws contain a provision on double loyalty voting:

Yes

No

Date of last modification	Share capital (EUR)	Number of shares	Number of voting rights
11/25/2020	30,637,500.00	122,550,000	122,550,000

Indicate if there are different classes of shares associated with different rights:

Yes

No

A.2. Details of the direct and indirect significant shareholdings at end-of-year, including persons with significant control:

Shareholder name or company name	% voting rights assigned to the shares		% voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
ACEK DESARROLLO Y GESTION INDUSTRIAL, S.L.	5.79	9.90	0.00	0.00	15.69
ADDVALIA CAPITAL, S.A.	5.26	0.00	0.00	0.00	5.26
CORPORACION FINANCIERA ALBA, S.A.	0.00	13.35	0.00	0.00	13.35
ELIDOZA PROMOCION DE EMPRESAS, S.L.	10.34	0.00	0.00	0.00	10.34
MAHINDRA & MAHINDRA LTD	0.00	7.83	0.00	0.00	7.83
ANTONIO MARIA PRADERA JAUREGUI	0.00	10.53	0.00	0.00	10.53
ALANTRA ASSET MANAGEMENT,	0.00	3.01	0.00	0.00	3.01

SGIIC, S.A.					
FMR LLC	0.00	3.02	0.00	0.00	3.02

According to the information available, ALANTRA EQMC ASSET MANAGEMENT, S. G. I. I. C. , S. A. and ALANTRA MULTI ASSET SGIIC, S. A. reached an agreement to exercise in concert the voting rights of the shares they hold in the investment entities they manage (EQMC EUROPE DEVELOPMENT CAPITAL FUND PLC; MERCER INVESTMENT FUND (sub-fund of MERCER QIF COMMON CONTRACTUAL FUND); QMC III IBERIAN CAPITAL FUND FIL).

Details of indirect holdings:

Indirect holder name or company name	Direct holder name or company name	% voting rights assigned to the shares	% voting rights through financial instruments	% of total voting rights
ACEK DESARROLLO Y GESTION INDUSTRIAL, S.L.	RISTEEL CORPORATION, B.V.	9.90	0.00	9.90
CORPORACION FINANCIERA ALBA, S.A.	ALBA EUROPE SARL	13.35	0.00	13.35
MAHINDRA & MAHINDRA LTD	MAHINDRA OVERSEAS INVESTMENT COMPANY (MAURITIUS) LTD.	7.83	0.00	7.83
ANTONIO MARIA PRADERA JAUREGUI	GRUPO INVERSIONES INSSEC, S.L.	10.53	0.00	10.53
ALANTRA ASSET MANAGEMENT, SGIIC, S.A.	CONCERTED ACTION	3.01	0.00	3.01
FMR LLC	FIAM LLC	0.77	0.00	0.77
FMR LLC	FIDELITY MANAGEMENT & RESEARCH COMPANY LLC	1.80	0.00	1.80
FMR LLC	FIDELITY MANAGEMENT TRUST COMPANY	0.06	0.00	0.06
FMR LLC	FMR INVESTMENT MANAGEMENT (UK) LIMITED	0.39	0.00	0.39

Indicate the most significant shareholding movements from the year:

Most significant movements

FMR LLC notified the shareholding included in this report by communication dated June 24, 2022, however, according to its communication dated February 8, 2023, its current shareholding is 4.69%.

In addition, during the 2022 financial year, the concerted share corresponding to Aberdeen lost its status as a significant shareholding in the Company.

**A.3.** Detail, regardless of the percentage, the shareholding at year-end of the members of the Board who hold voting rights attributed to shares of the Company or through financial instruments, excluding the directors identified in section A.2 above:

Board member name or company name	% voting rights assigned to the shares (loyalty votes included)		% voting rights through financial instruments		% of total voting rights	Of the total % of voting rights attributed to the shares, indicate where applicable the % of the additional votes assigned that correspond to the shares with loyalty votes	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
FERMIN DEL RIO SANZ DE ACEDO	0.02	0.00	0.00	0.00	0.00	0.00	0.00
JESUS MARIA HERRERA BARANDIARAN	1.42	0.00	0.00	0.00	0.00	0.00	0.00
JAVIER FERNÁNDEZ ALONSO	0.00	0.00	0.00	0.00	0.00	0.00	0.00

total % of total voting rights held by the board

11.97

Details of indirect holdings:

Board member name or company name	Direct holder name or company name	% voting rights assigned to the shares (loyalty votes included)	% voting rights through financial instruments	% of total voting rights	Of the total % of voting rights attributed to the shares, indicate where applicable the % of the additional votes assigned that correspond to the shares with loyalty votes
No information					

Detail the total percentage of voting rights represented on the Board:

Total % of total voting represented on the board	62.21
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**A.4.** Indicate any family, commercial, contractual, and corporate relations between the holders of the significant shareholdings, insofar as they are known to the company, except where barely relevant or if they derive from ordinary business, and except for those reported in section A. 6:

Related name or company name	Type of relation	Brief description
No information		

**A.5.** Indicate any family, commercial, contractual, and corporate relations between the holders of the significant shareholdings and the company and its group, unless they are barely relevant or if they derive from the ordinary course of business:

Related name or company name	Type of relation	Brief description
No information		

A.6. Describe any relations, unless they are barely relevant for the parties, between the shareholders who are significant or represented on the board and the directors, or their representatives, in the case of legal entity directors.

If applicable, explain how the significant shareholders are represented. Specifically, indicate any directors who were appointed in representation of significant shareholders, who were nominated by significant shareholders, or who are related to significant shareholders and entities of their group, specifying the nature of the relationships uniting them. In particular, if applicable indicate the existence, identity, and position of Board members or representatives of directors, of the listed company, who in turn are Board members, or its representatives, in companies that hold significant shareholdings in the listed company or in entities of the group of those significant shareholders:

Related board member name or company name or representative	Related shareholder name or company name	Name of the company of the group of the significant shareholder	Description of relation/position
JACOBO LLANZA FIGUEROA	ALANTRA MULTI ASSET SGIIC, S.A.	ALANTRA MULTI ASSET SGIIC, S.A.	Jacobo Llanza Figueroa is chair of the board and CEO of Alantra Multi Asset, SGIIC, S.A.
JUAN MARÍA RIBERAS MERA	ACEK DESARROLLO Y GESTION INDUSTRIAL, S. L.	ACEK DESARROLLO Y GESTION INDUSTRIAL, S. L.	Juan María Riberas Mera is the individual representative of one of the joint directors of ACEK Desarrollo y Gestión Industrial, S. L.
ANTONIO MARIA PRADERA JAUREGUI	ANTONIO MARIA PRADERA JAUREGUI	INVERSIONES, ESTRATEGIA Y CONOCIMIENTO GLOBAL CYP, S. L.	Antonio María Pradera Jáuregui is chair and CEO of Inversiones, Estrategia y Conocimiento Global CYP, S. L.
ANTONIO MARIA PRADERA JAUREGUI	ANTONIO MARIA PRADERA JAUREGUI	GRUPO INVERSIONES INSSEC, S. L.	Antonio María Pradera Jáuregui is sole director of Grupo Inversiones Inssec, S. L.
MARIA TERESA SALEGUI ARBIZU	ADDVALIA CAPITAL, S. A.	ADDVALIA CAPITAL, S. A.	Maria Teresa Salegui Arbizu, Director representing substantial shareholder, is the individual representative of Addvalia Capital, S. A.

Related board member name or company name or representative	Related shareholder name or company name	Name of the company of the group of the significant shareholder	Description of relation/position
FRANCISCO JOSÉ RIBERAS MERA	ANTONIO MARIA PRADERA JAUREGUI	INVERSIONES, ESTRATEGIA Y CONOCIMIENTO GLOBAL CYP, S.L.	Francisco José Riberas Mera is CEO of Inversiones, Estrategia y Conocimiento Global CYP, S. L.
FRANCISCO JOSÉ RIBERAS MERA	ACEK DESARROLLO Y GESTION INDUSTRIAL, S. L.	ACEK DESARROLLO Y GESTION INDUSTRIAL, S. L.	Francisco José Riberas Mera is the individual representative of one of the joint directors of ACEK Desarrollo y Gestión Industrial, S. L.
SHRIPRAKASH SHUKLA	MAHINDRA & MAHINDRA LTD	MAHINDRA & MAHINDRA LTD	Shriprakash Shukla directs the subsidiary Aerospace & Defence of the Mahindra Group, heads Mahindra Sanyo Special Steels Private Limited and sits on the Executive Committee of Mahindra & Mahindra Ltd.
JAVIER FERNÁNDEZ ALONSO	CORPORACION FINANCIERA ALBA, S.A.	CORPORACION FINANCIERA ALBA, S.A.	Javier Fernández Alonso is Managing Director of Corporacion Financiera Alba, S.A.
ABANTI SANKARANARAYANAN	MAHINDRA & MAHINDRA LTD	MAHINDRA & MAHINDRA LTD	Abanti Sankaranarayanan manages the Group's Public Affairs functions (India and international) and the Group's Sustainability and Risk, and is the Group's Economist at Mahindra and Mahindra Ltd.
IÑIGO BAREA EGAÑA	ELIDOZA PROMOCION DE EMPRESAS, S.L.	ELIDOZA PROMOCION DE EMPRESAS, S.L.	Iñigo Barea Egaña is an attorney in fact of ELIDOZA PROMOCION DE EMPRESAS, S.L., the family holding of the Egaña family.



**A.7.** Indicate if the communicated has been notified of any shareholder agreements that might affect it pursuant to sections 530 and 531 of the Spanish Companies Act [*Ley de Sociedades de Capital*]. If so, describe them briefly and indicate the shareholders bound by the agreement:

Yes

No

Indicate if the company is aware of the existence of concerted actions between its shareholders. If so, describe them briefly:

Yes

No

Participants in concerted action	% of share capital affected	Brief description of the agreement	Agreement expiration date if any
ALANTRA MULTI ASSET SGIIC, S. A. , ALANTRA EQMC ASSET MANAGEMENT, SGIIC, S. A.	3.37	According to the notification (form 1) available at the CNMV website with entry number 2018139166, ALANTRA MULTI ASSET SGIIC, S. A. and ALANTRA EQMC ASSET MANAGEMENT SGIIC, S. A. (management companies of the Alantra Group) have a common policy for their shares in the investment companies they manage, as reported above in section A.2.	It is not specified in the notification.

Expressly indicate if there were any changes or ruptures to those agreements, covenants, and concerted actions during the year:

The company is not aware of any such circumstances.

**A.8.** Indicate if there are any individuals or legal entities who exercise or may exercise control over the company pursuant to section 5 of the Spanish Security Markets Act [*Ley del Mercado de Valores*]. If so, identify them:

Yes

No

**A.9.** Fill out the following tables on the company's treasury stock:

At end-of-year:

Number of direct shares	Number of Indirect shares (*)	total % of share capital
2.929.127		2,38

(\*) Through:

Name or company name of the direct holder of the stake	Number of direct shares
No information	

Explain any significant variations that occurred during the year:

Explain any significant variations

The variations in treasury stock were mainly the result of the normal operations of the liquidity contract entered into by the Company with JB Capital Markets, S.V., S.A.U. in relation to its shares, as periodically reported to the market in accordance with the regulations applicable to such operations.

**A.10.** Detail the conditions and term of the current mandate that the shareholders meeting gave to the board to issue, buy back or transfer treasury stock:

The mandate conferred by the General Shareholders Meeting held on April 28, 2022 is in force until April 28, 2027, inclusive, by virtue of which, in accordance with the provisions of section 297(1)(b) of the Corporate Enterprises Act, it may increase the share capital, without prior consultation with the General Shareholders Meeting, up to the amount of EUR 15,318,750, with the ability to exercise that power, up to the indicated amount, on one or several occasions, deciding in each case whether it is appropriate or convenient, and the amount and conditions that it considers appropriate.

Likewise, the authorization to the board to proceed with the derivative acquisition of treasury stock, directly or through group companies, in accordance with sections 146 and 509 of the Corporate Enterprises Act, is in force until April 28, 2027, inclusive, by virtue of a resolution of the general shareholders' meeting held on April 28, 2022; including the possibility of reducing the share capital to redeem treasury stock, delegating to the board the necessary powers to do this.

**A.11.** Estimated floating capital:

	%
Estimated floating capital	27,13

**A.12.** Indicate whether there are any restrictions (in the by-laws, legislation or otherwise) on the transferability of securities

and any restrictions on voting rights. In particular, the existence of any type of restrictions that may hinder taking of control of the company by acquiring its shares in the market must be reported, as well as any authorization and prior notice rules regarding acquisitions and transfers of the company's financial instruments that may be applicable to it under sectoral regulations.

Yes

No

**A.13.** Indicate whether the General Meeting resolved to adopt measures to neutralize a public takeover bid pursuant to Spanish Act 6/2007.

Yes

No

If so, explain the approved measures and the conditions in which the restrictions would become ineffective.

Explain the approved measures and the conditions in which ineffective

At its meeting of April 23, 2008, the general meeting passed the following resolution from item six on the agenda:

"SIX. - Approval of the non-application of limitations to the actions of the governing and management bodies of the Company and its Group on the terms of section 60 *bis* (2) of Spanish Securities Market Act [*Ley 24/1988, del Mercado de Valores*] and section 28(5) of Spanish Royal Decree 1066/2007, of 27 July.

Pursuant to section 60 *bis* (2) of Securities Market Act Market and section 28(5) of Spanish Royal Decree 1066/2007, of July 27, 2007, on the rules governing public offers for the acquisition of securities [*Real Decreto 1066/2007, sobre el régimen de las ofertas públicas de adquisición de valores*], resolved to approve that the limitations on the actions of those bodies referred to in section 60 *bis* (2), and section 28(5) of Royal Decree 1066/2007, of July 27, 2007, will not apply to the governing and management bodies of the company and its group in the event that the company is the object of a public takeover offer formulated by an entity that does not have its registered office in Spain and that is not subject to those rules or equivalent ones, including those referring to the rules necessary for adopting decisions by the general meeting, or, by an entity controlled by it, directly or indirectly, in accordance with section 4 of Securities Market Act."

**A.14.** Indicate whether the company has issued securities that are not traded on an EU regulated market.

Yes

No

If so, indicate the various share classes and for each share class, the rights and obligations conferred:

**B. GENERAL MEETING**

**B.1.** Indicate and, if applicable, provide details, if there are differences with the rules in the Companies Act on constituting quorums of the general meeting:

Yes

No

	quorum % difference from the % established in section 193 of the Companies Act for general cases	quorum % difference from the % established in section 194 of the Companies Act for the special cases of section 194 of the Companies Act
Quorum required on the 1 <sup>st</sup> call	50.00	50.00
Quorum required on the 2 <sup>nd</sup> call	0.00	25.00

Description of the differences

For general cases, article 13 of the Company's bylaws establishes that the general meeting, whether ordinary or extraordinary, will be validly constituted on first call when the shareholders present or represented by proxy hold at least 50% of the subscribed capital with voting rights. Therefore, a higher quorum is established for the meeting to be convened on first call in the case of general cases than the quorum specified in section 193 of the Companies Act (i. e. 25%).

No differences are established either with respect to the quorum for the second call for general cases or with respect to the quorum for the special cases provided for in section 194 of the Companies Act.

**B.2.** Indicate and, if applicable provide details, if there are differences with the rules in the Companies Act on adopting corporate resolutions:

Yes

No

**B.3.** Indicate the rules applicable to amending the company's bylaws. In particular, specify the majorities required to amend the bylaws, and any rules on protecting shareholder rights when amending the bylaws.

The rules on amending the company's bylaws are those set forth in the Companies Act (with the particularity set forth in section B. 1 above), and there are no majorities in the bylaws other than those legally applicable or rules for protecting shareholders other than those established in the general regulations.

**B.4.** Indicate the attendance figures from the general meetings held during the reference year of this report and from the two preceding years:

General meeting date	Attendance figures				Total
	% present in person	% represented by proxy	% voting remotely		
			Electronic vote	Other	
5/8/2019	63.55	4.40	0.00	0.00	67.95
of which are floating capital	11.73	4.40	0.00	0.00	16.13
4/29/2020	58.46	23.15	0.00	0.00	81.61
of which are floating capital	17.33	7.08	0.00	0.00	24.41
5/5/2021	65.14	1.38	0.00	0.00	66.52
of which are floating capital	18.87	1.38	0.00	0.00	20.25
4/28/2022	54.29	10.72	0.00	0.00	65.01
of which are floating capital	24.32	7.41	0.00	0.00	31.73

**B.5.** Indicate whether the general meetings held during the year had items on their agenda that were not approved by the shareholders for any reason:

Yes

No

**B.6.** Indicate if there are any restrictions in the bylaws establishing the minimum number of shares necessary to attend the general meeting or vote remotely:

Yes

No

**B.7.** Indicate if it has been established that certain decisions, aside from those established by law, that entail acquisitions, disposals, or contributions of essential assets to other companies or other similar corporate operations, must be approved by the general meeting:

Yes

No

**B.8.** Indicate the address, and method for accessing on the corporate website, of the corporate governance information and other information on general meetings that must be made available to shareholders on the Company's website:

The corporate website where information can be accessed on corporate governance and other information on general meetings is <https://cieautomotive.com/web/investors-website>.

## C. STRUCTURE OF THE COMPANY'S MANAGEMENT

### C.1. Board of directors

C.1.1 Maximum and minimum number of directors specified in the bylaws and the number set by the general meeting:

Maximum number of board members	15
Minimum number of board members	6
Number of board members set by the general meeting	14

C.1.2 Fill out the following table with the Board members:

Board member name or company name	Representative	Director category	Position on the board	Date first appointed	Date of last appointment	Election procedure
MARÍA EUGENIA GIRÓN DÁVILA		Independent director	BOARD MEMBER	12/15/2021	4/28/2022	GENERAL MEETING RESOLUTION
ELENA MARÍA ORBEGOZO LABORDE		Independent director	BOARD MEMBER	12/15/2021	4/28/2022	GENERAL MEETING RESOLUTION
JACOBO LLANZA FIGUEROA		Director representing substantial shareholder	BOARD MEMBER	4/29/2020	4/29/2020	GENERAL MEETING RESOLUTION
JUAN MARÍA RIBERAS MERA		Director representing substantial shareholder	BOARD MEMBER	10/27/2010	4/29/2020	GENERAL MEETING RESOLUTION
ARANTZA ESTEFANÍA LARRAÑAGA		Independent director	INDEPENDENT COORDINATING DIRECTOR	4/29/2020	4/29/2020	GENERAL MEETING RESOLUTION
FERMIN DEL RIO SANZ DE ACEDO		Executive director	DEPUTY CHAIR	12/21/2005	4/29/2020	GENERAL MEETING RESOLUTION

Board member name or company name	Representative	Director category	Position on the board	Date first appointed	Date of last appointment	Election procedure
ANTONIO MARIA PRADERA JAUREGUI	Representative	Director representing substantial shareholder	CHAIR	6/24/2002	4/29/2020	GENERAL MEETING RESOLUTION
MARIA TERESA SALEGUI ARBIZU		Director representing substantial shareholder	BOARD MEMBER	4/29/2020	4/29/2020	GENERAL MEETING RESOLUTION
JESUS MARIA HERRERA BARANDIARAN		Executive director	CEO	1/21/2013	4/29/2020	GENERAL MEETING RESOLUTION
FRANCISCO JOSÉ RIBERAS MERA		Director representing substantial shareholder	BOARD MEMBER	10/27/2010	4/29/2020	GENERAL MEETING RESOLUTION
SHRIPRAKASH SHUKLA		Director representing substantial shareholder	BOARD MEMBER	6/25/2015	4/29/2020	GENERAL MEETING RESOLUTION
JAVIER FERNÁNDEZ ALONSO		Director representing substantial shareholder	BOARD MEMBER	4/28/2022	4/28/2022	GENERAL MEETING RESOLUTION
IÑIGO BAREA EGAÑA		Director representing substantial shareholder	BOARD MEMBER	4/28/2022	4/28/2022	GENERAL MEETING RESOLUTION
ABANTI SANKARANARAYANAN		Director representing substantial shareholder	BOARD MEMBER	12/15/2022	12/15/2022	COOPTATION

Total number of board members	14
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Indicate any directors who resigned or were removed by the general meeting during the reporting period:

Board member name or company name	Director category at time of removal	Date of last appointment	Date removed	Specialized committees the director sat on	Indicate if the director was removed due to term expiring

SANTOS MARTÍNEZ-CONDE GUTIÉRREZ-BARQUÍN	Director representing substantial shareholder	04/24/2018	04/28/2022	ESG Committee	YES
SUMAN MISHRA	Director representing substantial shareholder	4/28/2022	12/15/2022		NO

Cause of removal, if before the end of the term of office and other observations; information on whether the director sent a letter to the other members of the board and, in the case of removals of non-executive directors, an explanation or opinion on the director removed by the general meeting.

Both changes in the composition of the Company's Board, being directors representing substantial shareholders, are due to changes in the internal organization of the significant shareholder they represent.

C.1.3 Fill out the following tables on the members of its board and their various categories:

EXECUTIVE DIRECTORS		
Board member name or company name	Position in the company's organizational chart	Profile
FERMIN DEL RIO SANZ DE ACEDO	Executive director	He holds a Licentiate in Business Administration and Management (San Sebastián). He began his professional career as a tax advisor in 1975 and founded Norgestión (a consulting firm specializing in Mergers and Acquisitions, tax, and financial law). He worked there until 2008. He was in charge of the of ADEGI section the (Entrepreneurs Association of Guipuzcoa) as well as a member of the Committee of Confederations of Entrepreneurs of the Basque Country (CONFEBASK). He acted as chairman of the company Autometal S. A. He sits on the boards of Fegemu S. A., Viveros San Antón, S. A. and Global Dominion Access S. A.
JESUS MARIA HERRERA BARANDIARAN	CEO	He holds a degree in Economics and Business Administration from the University of the Basque Country, with a Master's Degree in Internationalization from Euroforum. He joined CIE Automotive in 1991 as Financial and HR Director at CIE Orbelan. In 1995 he was appointed deputy manager and in 1998 he took over the general management of the company. In 2000 he took over CIE Brazil, as well as CIE Plasfil in 2002. That year he was appointed worldwide director of CIE Plastics until 2005, when he took over responsibility for the general management of CIE America. Since 2010, he has been CEO of Autometal S. A. In 2011, and he was appointed COO of the entire group, although a year later he took over as CEO of CIE Automotive. In 2013, the Board appointed him CEO of CIE Automotive. He is also on the board of Global Dominion Access, S. A.



Total number of executive board members	2
% of total on board	14.29

EXTERNAL DIRECTORS REPRESENTING SUBSTANTIAL SHAREHOLDERS		
Board member name or company name	Name or company name of the significant shareholder that the member represents or who nominated the member	Profile
JACOBO LLANZA FIGUEROA	ALANTRA ASSET MANAGEMENT, SGIIC, S.A	He holds a Licentiate in Economics and Business Administration from the University of Paris. His professional career has been linked to investment banking, where he began in 1989 in various positions at Banque Indosuez and Bancapital, before creating and directing AB Asesores Moneda in 1992, a company of the AB Asesores Group. After that company was sold to Morgan Stanley in 1999, he joined Dresdner Kleinwort Wasserstein, where he was managing director of Equities and Derivatives for Latin America, Eastern Europe, Africa, and the Middle East. In 2002, he joined Alantra (formerly N+1), where he is currently Managing Partner and CEO of Alantra Asset Management.
JUAN MARÍA RIBERAS MERA	ACEK DESARROLLO Y GESTION INDUSTRIAL, S. L.	He holds a degree in Law and in Economics and Business Sciences from the Pontifical University of Comillas (ICADE E-3). He began his professional career in the Gonvarri Group in 1992, in the Business Development area, and later became CEO. In 2005, he was the creating force behind ACEK Renovables, where he became Executive Chairman in 2007. Since 2010, he has been the chairman of Gonvarri Steel Industries and the co-chair of ACEK, the family holding company. He is also a sponsor of the Fundación Juan XXIII.
ANTONIO MARIA PRADERA JAUREGUI	ANTONIO MARIA PRADERA JAUREGUI	With a degree in Civil Engineering from Madrid Polytechnic University, in 1979 he began his career as a director at Banco Bilbao, where he remained until 1985. In 1988 he was appointed Executive Director of Nerisa, where he remained until 1993, when he moved to SEAT as Director of Strategy. He played an important role in the creation of INSSEC in 1995, of which he was CEO until 2010. He has been the Executive Chairman of CIE Automotive since 2002, where he has held positions in Strategic Management and Financial Design, as well as at Global Dominion Access, S. A. Since May 2015, he has been a director of Tubacex and since June 2015, of Corporación Financiera Alba. On December 31, 2017, he stepped down from his executive position at CIE Automotive, reinforcing the company's good governance practices.
MARIA TERESA SALEGUI ARBIZU	ADDVALIA CAPITAL, S.A.	With a degree in Economics and Business Sciences from the University of Deusto, she began her career at the transport company La Guipuzcoana (1988-2002), where she reached the position of general manager, a position she also held at DHL Express Iberia (2002-2004). She is currently chair of Addvalia Capital and Perth Espacio y Orden, and a director of the following companies: Baztango, F&F Inversiones and BAS. She is also Deputy Chair of Real Nuevo

EXTERNAL DIRECTORS REPRESENTING SUBSTANTIAL SHAREHOLDERS		
Board member name or company name	Name or company name of the significant shareholder that the member represents or who nominated the member	Profile
		Club Golf de San Sebastián Basozabal, S.A.
FRANCISCO JOSÉ RIBERAS MERA	ACEK DESARROLLO Y GESTION INDUSTRIAL, S. L.	He holds a licentiate in Law (1987) and a licentiate in Economics and Business Sciences (1988) from the Pontifical University of Comillas (ICADE E-3) in Madrid. He began his professional career holding different positions in the Gonvarri Group, as Director of Corporate Development and later as CEO. In 1997 he created Gestamp and since then he has been its Executive Chairman, over time forming what Gestamp is today. He is a member of the Boards of Directors of Telefónica and General de Alquiler de Maquinaria (GAM). He also sits on the boards of other Gestamp companies and companies of the family holding company Acek, including Acek Energías Renovables, Inmobiliaria Acek and Sideacero in the Gonvarri Group. He is also chairman of the Instituto de Empresa Familiar and participates in the Endeavor Foundation, among others.
SHRIPRAKASH SHUKLA	MAHINDRA & MAHINDRA LTD	He holds a Bachelor's degree in Technology from the Indian Institute of Technology, Banaras Hindu University and an MBA from the Indian Institute of Management, Ahmadabad. His career has spanned several companies such as Dunlop India, Swisscom Essar (now Vodafone Essar) and Reliance Group, before joining the Mahindra Group. He currently chairs several subsidiaries of Aerospace & Defence and Special Steels, and is a member of the Executive Committee of Mahindra&Mahindra, Ltd. He previously held the positions of Group Strategy Director and Group Brand Director. He is chairman of Mahindra CIE Automotive, Ltd.
ABANTI SANKARANARAYAN	MAHINDRA & AMNAHINDRA LTD	Abanti Sankaranarayanan manages the Group's Public Affairs functions (India and international), the Group's Sustainability and Risk, and is the Group's Economist at Mahindra and Mahindra Ltd. She is also a member of the Group's Executive Committee. Before joining Mahindra, she was Director of Strategy and Corporate Affairs at Diageo India and a member of its Executive Committee. Her responsibilities included the alcohol policy, regulatory and commercial matters, market access, corporate communications and reputation, and programs to combat alcohol abuse, encourage responsible consumption, and achieve social impact. As head of Strategy, she managed development and implementation of Diageo's strategy in India. Prior to that, Abanti was General Manager at Diageo India Pvt Ltd, where she managed Diageo's international sales operations for alcoholic beverages in India. She joined Diageo in June 2010 as Director of Marketing and Innovation, with responsibility for creating iconic global brands for Diageo such as Johnny Walker, Smirnoff, VAT 69, and Cîroc. Before joining Diageo, Abanti was a member of the Administrative Services staff at Tata (TAS) since 1992, as part

EXTERNAL DIRECTORS REPRESENTING SUBSTANTIAL SHAREHOLDERS		
Board member name or company name	Name or company name of the significant shareholder that the member represents or who nominated the member	Profile
		of a distinguished career phase during which she held key management positions for some of the Tata Group's most well-known consumer brands in India, the United Kingdom, and the USA. During her 17 years with the Tata Group, Abanti worked at various companies including Tata Global Beverages, London, the Taj Hotel group in Mumbai and New York, Tata Housing, and Tata Finance in Mumbai. Her contribution to the company has been recognized by Fortune India (The Most Powerful Women in Business: 2012, 2014, 2015, and 2016), IMPACT (50 Most Influential Women in Media, Marketing and Advertising; 2014, 2015, 2016, and 2017), India Today (India's 25 Most Influential Women, 2013), and Fast Company, New York (100 Most Creative People in Business, 2012). Abanti holds a Bachelor's Degree in Economics from St. Stephen's College in Delhi and an MBA from the Indian Institute of Management (IIM) in Ahmedabad.
IÑIGO BAREA EGAÑA	ELIDOZA PROMOCION DE EMPRESAS, S.L.	An Aeronautic Engineer who studied at the Polytechnic University of Madrid and l'École Nationale Supérieure de l'Aéronautique et de l'Espace in France, with an MBA from the IESE Business School. He began his professional career at Airbus, as an engineer specialized in propulsion system integration. He later joined the strategic consulting firm A.T. Kearney, where he worked on a variety of international projects focused on improving operational efficiency. He is currently Director of Logistical Operations for Spain at Just Eat Takeaway.
JAVIER FERNÁNDEZ ALONSO	CORPORACION FINANCIERA ALBA, S.A.	Holds a Bachelor's Degree with Honors in Business Administration and Management from the University of Deusto, with a Finance Specialization. In the year 2000, he began his professional career at Goldman Sachs in London, working in investment banking and mergers and acquisitions, and in 2002 he was hired by ABN AMRO in Madrid. In 2006, he joined the Investment Department at Corporación Financiera Alba and was appointed as Assistant Investment Manager in 2007, Investment Manager in 2012, and General Manager in 2020, which is the office he continues to hold. Currently, he represents Alba on the boards of CIE Automotive, Ebro Foods, Profand Fishing Holding, Viscofan, and the Rioja and Rioja Acquisition (Naturgy) investment funds. He has previously served as a board member at companies including, among others, Acerinox, ACS, Dragados, ACS Servicios y Concesiones, Euskaltel, Parques Reunidos, and Clínica Baviera. In addition, he has been a member of the Investment Committee at Artá Capital since 2008 and is a board member for Artá Capital and several of the group's venture capital firms.

Total number of Directors representing substantial shareholders	9
% of total on board	64.29

EXTERNAL INDEPENDENT DIRECTORS	
Board member name or company name	Profile
MARÍA EUGENIA GIRÓN DÁVILA	<p>A graduate in Industrial Engineering from ICAI with an MBA from Harvard Business School, she has been a Director at Loewe and CEO of Carrera y Carrera after leading the "Management Buy in" process. She is Vice Chair of the International Board of Trustees of Oceana and a member of the Board of Trustees of the Real Fábrica de Tapices and IE University as well as President of the Diversity Foundation.</p> <p>She is a member of the jury of the European Innovation Council Accelerator of the European Commission and the Green Deal. She is also Co-Chair of Women Corporate Directors, a member of the Board of the Institute of Board Members, and is currently Executive Director of IE University Premium &amp; Prestige Observatory, and a member of the advisory board of companies in the premium sector.</p>
ELENA MARÍA ORBEGOZO LABORDE	<p>With a degree in Mathematical Sciences, she has developed part of her professional career in a multinational company providing technology services, focused on Information Management and big data. She is a forward-thinking account manager with a proven track record of achievement in the IT industry over a career spanning more than 30 years.</p> <p>An ambitious and dynamic change manager, she is dedicated to continuous business improvement, focused on revenue enhancement and streamlining business operations. She is committed to optimizing profit.</p>
ARANTZA ESTEFANÍA LARRAÑAGA	<p>She holds a degree in Law with Honors and Extraordinary End of Degree Award from the University of Deusto. She has more than thirty years of experience in the field of corporate law, where she was managing partner of the law firm Uría Menéndez Abogados S.L.P. from its founding in 2000 to January 2019. In recent years she has developed an extensive practice in the area of compliance and criminal risk prevention, as well as environmental and safety. She has also been a member of that firm's Board, sitting on its Professional Practice Management Committee and its Criminal Risk Prevention Committee. She has been recognized by Best Lawyer in Spain annually and continuously since 2013 as a leading lawyer in arbitration and mediation practices and as lawyer of the year in the procedural area. She is currently an independent director of Repsol and Global Dominion Access, a member of the Remuneration Committee and a member of the Sustainability Committee. She is also Chairwoman of the Economic Committee of the Economic and Social Council of the Basque Regional Government and Secretary of the Board of Bilbao Exhibition Centre S.A.</p>

Total number of independent directors	3
% of total on board	21.43

Indicate whether any directors classified as independent receive from the company, or from the same group, any sums or benefits other than director's remuneration, or maintain or have maintained, during the last fiscal year, a business relationship with the company or with any company in its group, either in their own name or as a significant shareholder, director or senior manager of an entity that maintains or has maintained such a relationship.

Where appropriate, a reasoned statement from the board must be included as to the reasons why it considers that those directors may perform their duties as an independent director.

Board member name or company name	Description of the relation	Substantiated statement
No information		

**OTHER EXTERNAL DIRECTORS**

Identify the other external directors and specify the reasons why they cannot be classified as proprietary or independent directors and their relations to the company, its managers, and its shareholders:

Board member name or company name	Reasons	Company, manager, or shareholder to which the director is related	Profile
No information			

Total number of external directors	N.A.
% of total on board	N.A.

Indicate any changes to each director's category over the course of the year:

Board member name or company name	Date changed	Previous category	Current category
No information			

C.1.4 Fill out the following table with the information on the number of female directors at the close of the last four financial years, and those directors' categories:

	Number of female directors				% of total directors in each category			
	2022	2021	2020	2019	2022	2021	2020	2019
Executive					0.00	0.00	0.00	0.00
Proprietary	2	2	2	2	25.00	25.00	22.22	25.00
Independent	3	3	1		33.33	100.00	33.33	0.00
Other external					25.00	0.00	0.00	0.00
Total	5	5	3	2	35.71	38.46	21.43	15.38

C.1.5 Indicate whether the company has diversity policies in relation to the company's board of directors with regard to issues such as age, gender, disability, or professional training and experience. Companies defined as small or medium under the Spanish Auditing Act [*Ley de Auditoría de Cuentas*], will have to report, at least, the policy they have established in relation to gender diversity.

- Yes
- No
- Partial polices

If so, describe these diversity policies, their objectives, the measures, and way they are applied and their results during the year. Also indicate the specific measures the Board and the Appointments and Remuneration Committee took to ensure a balanced and diverse presence of directors.

If the company does not apply a diversity policy, indicate the reasons why it does not.

**Description of the policies and measures and how they are applied, and the results obtained.**

The company's diversity policy is directly accessible on the corporate website, where its contents can be easily consulted. Approving the diversity policy in 2019 was the most recent concrete measure carried out by the company to achieve a balanced and diverse presence of directors.

The company considers that the composition of its board of directors reflects the objectives pursued by the diversity policy, with there being a balanced and diverse presence of directors.

The diversity policy aims at selecting candidates to achieve a diverse and balanced composition of the Board as a whole, which enriches decision-making and brings pluralistic points of view to the discussion of matters under its purview.

In this sense, the Board is committed to promoting diversity in its composition, and to this end, when selecting candidates for directors, candidates will be considered whose appointment would help ensure that the Board members have different skills, expertise, experience, origins, nationalities, ages, and genders.

The diversity criteria are chosen with regard to the nature and complexity of the businesses carried out by the Group, as well as the social and geographical context in which it operates.

Additionally, depending on the needs of the Board, other criteria may also be taken into consideration.

In the process of selecting candidates, any type of bias that may imply any discrimination, among others, for reasons of sex, ethnic origin, age, or disability, will be avoided.

The Board of Directors will periodically evaluate the degree of compliance and effectiveness of its diversity policy and, in particular, the percentage of female directors existing at any given time, in order to assess the degree of compliance with the corporate governance recommendations regarding the presence of women on the Board.

C.1.6 Explain any measures the Appointments Committee has agreed on to ensure that the selection procedures do not suffer from implicit biases that hinder the selection of female directors, and that the company deliberately seeks and includes women among the potential candidates who meet the professional profile sought and that allows a balanced presence of women and men to be achieved. Also indicate whether these measures include encouraging the company to have a significant number of female senior managers:

**Explanation of the measures**

The Appointments and Remuneration Committee must ensure and ensures that consideration is given to persons of both sexes who meet the conditions and capabilities required both for the position of member of the board of directors and for the performance of senior management functions. In this respect, with respect to appointment of female directors, the Company follows the guidelines set out in the policy for the selection of candidates for directors and diversity on the board of directors.

With respect to the appointment of senior executives, although there are no specific measures, the Appointments and Remuneration Committee follows the same criteria as those established for the appointment of directors, ensuring the absence of implicit biases that negatively impact both female directors and senior executives.

If, despite any measures adopted, there are few or no female directors and senior managers, explain why:

Explanation of reasons

The company considers that the number of female directors and senior managers is sufficient, as it is neither low nor zero. In any case, the company is constantly striving to increase the number of female directors and senior managers, as evidenced by the appointments in 2022 of independent directors María Eugenia Girón Dávila and Elena María Orbegozo Laborde, and the appointment of Director representing substantial shareholder Suman Mishra and the Director who then replaced her, Abanti Sankaranarayanan.

By way of illustration, it should be noted that the total percentage of female directors and senior managers with respect to the total number of Board members and senior managers is 35.71%.

**C.1.7 Explain the Appointments Committee's findings on the verification of compliance with the policy aimed at favoring an appropriate composition of the board.**

The Appointments and Remuneration Committee understands the importance of complying with policies aimed at favoring an appropriate composition of the board. In this regard, as indicated above, the Appointments and Remuneration Committee ensures that appointments of new directors do not suffer from an implicit gender bias, mainly in the case of non-Director representing substantial shareholders (since this is where it has the greatest room to maneuver in the selection process) and that, as far as possible, the number of female directors is promoted, without prejudice to always taking into consideration candidates who meet the conditions and capabilities required for the position.

**C.1.8 Explain, the case being, the reasons why Directors representing substantial shareholders were appointed who were nominated by shareholders that hold less than 3% of the company's share capital:**

Shareholder name or company name	Justification
No information	

Indicate whether formal requests have not been met for a presence on the Board from shareholders whose shareholding is equal to or greater than that of others at whose request Director representing substantial shareholders have been appointed. If applicable, explain why the requests were not fulfilled:

Yes

No

**C.1.9 Indicate any powers of attorney and representation the board has conferred upon directors and board committees, including the power to issue and redeem shares:**

Director or committee name	Brief description
JESUS MARIA HERRERA BARANDIARAN	The CEO has been delegated all of the board's powers, except those that may not be delegated.

**C.1.10 Identify any board members who are directors, representatives, or managers of other companies in the listed company's group:**

Board member name or company name	Name of the group company	Position	Does the board member have executive duties?
FERMIN DEL RIO SANZ DE ACEDO	Gescrap-Autometal Comercio de Sucatas México, S. A.	BOARD MEMBER	NO

Board member name or company name	Name of the group company	Position	Does the board member have executive duties?
FERMIN DEL RIO SANZ DE ACEDO	Gescrap Autometal México, S. A. de C. V.	BOARD MEMBER	NO
FERMIN DEL RIO SANZ DE ACEDO	Gescrap-Autometal México Servicios, S. A. de C. V.	BOARD MEMBER	NO
FERMIN DEL RIO SANZ DE ACEDO	Autometal, S. A.	CHAIRMAN	NO
ANTONIO MARIA PRADERA JAUREGUI	Autokomp Ingenieria, S. A. U.	CHAIRMAN	NO
ANTONIO MARIA PRADERA JAUREGUI	Autometal, S. A.	BOARD MEMBER	NO
ANTONIO MARIA PRADERA JAUREGUI	CIE Berriz, S. L.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	Mahindra CIE Automotive, LTD	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Mahindra Forgings Europe, AG	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	Plasfil Plásticos da Figueira, S. A.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	CIE Berriz México Servicios Administrativos, S. A. de C. V.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	CIE Celaya, S. A. P. I. de C. V.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	Forjas de Celaya, S. A. P. I. de C. V.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	Maquinados Automotrices y Talleres Industriales Celaya S. A. de C. V.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	Percaser de México, S. A. de C. V.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	Pintura Estampado y Montaje, S. A. P. I. de C. V.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	Pintura y Ensamblados de México, S. A. de C. V.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	Servicat Servicios Contables Administrativos y Técnicos, S. A. de C. V.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	GAT México. S. A. de C. V.	CHAIRMAN	NO



Board member name or company name	Name of the group company	Position	Does the board member have executive duties?
JESUS MARIA HERRERA BARANDIARAN	Newcor, Inc	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	CIE Automotive USA, Inc	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	CIE Autometal de México, S. A. P. I. de C. V.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	Nova Recyd, S. A. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Gameko Componentes de Automoción, S. A.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Mecanizaciones del Sur Mecasur, S,A,	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Transformaciones Metalurgicas Norma, S. A.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Inyectametal, S. A.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Orbelan Plásticos, S. A.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	CIE Legazpi, S. A. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Industrias Amaya Tellería, S. A. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	CIE Udalbide, S. A. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Recyde, S. A. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	CIE Mecauto, S. A. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Alurecy, S. A. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	CIE Galfor, S. A. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Autokomp Ingenieria, S. A.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Componentes de Automoción Recytec, S. L. U.	BOARD MEMBER	NO

Board member name or company name	Name of the group company	Position	Does the board member have executive duties?
JESUS MARIA HERRERA BARANDIARAN	Alcasting Legutiano, S. L. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	CIE Automotive Goian, S. L.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	Autometal, S. A.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Componentes de Automoción Recylan, S. L. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Denat 2007, S. L. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Egaña 2, S. L.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Advanced Comfort Systems Iberica, S. L.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Grupo Componentes Vilanova, S. L.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Biosur Transformación, S. L. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Reciclado de Residuos Grasos, S. L. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	Leaz Valorización, S. L. U.	BOARD MEMBER	NO
JESUS MARIA HERRERA BARANDIARAN	CIE Automotive Boroa, S. L.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	CIE Roof Systems, S. L.	CHAIRMAN	NO
JESUS MARIA HERRERA BARANDIARAN	CIE GOLDE HOLDING, S.L.	CHAIRMAN	YES

c.1.11 List any directorships, board memberships, management and representative positions held by directors or representatives of directors who serve on the boards in other entities, whether or not they are listed companies:

Board member name or company name	Name of the company, listed or not	Position
MARÍA EUGENIA GIRÓN DÁVILA	CORPORACIÓN FINANCIERA ALBA, S.A.	BOARD MEMBER
MARÍA EUGENIA GIRÓN DÁVILA	GRUPO ECOENER, S.A.	BOARD MEMBER

Board member name or company name	Name of the company, listed or not	Position
MARÍA EUGENIA GIRÓN DÁVILA	MEGAMCAPITAL, S.L.	SOLE DIRECTOR
JACOBO LLANZA FIGUEROA	ALANTRA ENAGAS ENERGY TRANSITION, S.A.	CHAIR
JACOBO LLANZA FIGUEROA	ALANTRA CAPITAL PRIVADO SGEIC, S.A.	CHAIR
JACOBO LLANZA FIGUEROA	ALANTRA PRIVATE EQUITY ADVISORS, S.A.	CHAIR
JACOBO LLANZA FIGUEROA	ALANTRA WEALTH MANAGEMENT GESTIÓN SGIIC, S.A.	BOARD MEMBER
JACOBO LLANZA FIGUEROA	ALANTRA MULTI STRATEGIES SGEIC, S.A.	CHAIR
JACOBO LLANZA FIGUEROA	ALANTRA MULTI ASSET SGIIC, S.A.	CHAIR
JACOBO LLANZA FIGUEROA	ALANTRA PRIVATE EQUITY SECONDARY FUND SCR, S.A.	CHAIR
JACOBO LLANZA FIGUEROA	ALANTRA CAPITAL MARKETS SOCIEDAD DE VALORES, S.A.	CHAIR
JACOBO LLANZA FIGUEROA	ALANTRA EQMC ASSET MANAGEMENT SGIIC S.A.	CEO
JACOBO LLANZA FIGUEROA	ALANTRA REAL ESTATE ASSET MANAGEMENT, S.A.	CHAIR
JACOBO LLANZA FIGUEROA	ALANTRA SOLAR ENERGY ADVISORS, S.L.	CHAIR
JACOBO LLANZA FIGUEROA	MINIFO, S.L.	SOLE DIRECTOR
JACOBO LLANZA FIGUEROA	ALANTRA PRIVATE EQUITY SERVICIOS, S.L.	CHAIR
JACOBO LLANZA FIGUEROA	QMC DIRECTORSHIPS, S.L.	CHAIR
JACOBO LLANZA FIGUEROA	ALANTRA CRU, S.L.	CEO
JACOBO LLANZA FIGUEROA	ALANTRA INVESTMENT MANAGERS S.L.	CEO
JACOBO LLANZA FIGUEROA	ALANTRA DEBT SOLUTIONS, S.L.	CHAIR
JACOBO LLANZA FIGUEROA	ALANTRA SOLAR ENERGY DIRECTORSHIP, S.L.	JOINT AND SEVERAL DIRECTOR
JUAN MARÍA RIBERAS MERA	AGRICOLA LA VEGUILLA, S.A.	CEO
JUAN MARÍA RIBERAS MERA	Q-IMPACT INVESTMENT MANAGEMENT SGEIC, S.A.	BOARD MEMBER
JUAN MARÍA RIBERAS MERA	Q-ENERGY TENENCIA Y GESTION III SCR, S.A.	BOARD MEMBER

Board member name or company name	Name of the company, listed or not	Position
JUAN MARÍA RIBERAS MERA	Q-ENERGY PRIVATE EQUITY SGEIC, S.A.	BOARD MEMBER
JUAN MARÍA RIBERAS MERA	Q-ENERGY TYG IV SCR, S.A.	BOARD MEMBER
JUAN MARÍA RIBERAS MERA	GLOBAL DOMINION ACCESS, S.A.	BOARD MEMBER
JUAN MARÍA RIBERAS MERA	ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L.	JOINT AND SEVERAL DIRECTOR
JUAN MARÍA RIBERAS MERA	ION ION, S.L.	SOLE DIRECTOR
JUAN MARÍA RIBERAS MERA	INMOBILIARIA ACEK, S.L.	JOINT DIRECTOR
JUAN MARÍA RIBERAS MERA	RIBOR AGRICOLA, S.L.	SOLE DIRECTOR
JUAN MARÍA RIBERAS MERA	ACEK ENERGIAS RENOVABLES, S.L.	JOINT DIRECTOR
JUAN MARÍA RIBERAS MERA	HOLDING GONVARRI, S.L.	BOARD MEMBER
JUAN MARÍA RIBERAS MERA	Other companies held by ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L.	BOARD MEMBER
JUAN MARÍA RIBERAS MERA	Other companies held by ION ION, S.L.	BOARD MEMBER
JUAN MARÍA RIBERAS MERA	Companies of the Acek Energías Renovables Group	BOARD MEMBER
JUAN MARÍA RIBERAS MERA	Companies of the Gonvarri Group	BOARD MEMBER
JUAN MARÍA RIBERAS MERA	Companies of the Inmobiliaria Acek Group	BOARD MEMBER
ARANTZA ESTEFANÍA LARRAÑAGA	REPSOL, S.A.	BOARD MEMBER
ARANTZA ESTEFANÍA LARRAÑAGA	GLOBAL DOMINION ACCESS, S.A.	BOARD MEMBER
ARANTZA ESTEFANÍA LARRAÑAGA	REPSOL CUSTOMER CENTRIC, S.L.	NON-BOARD MEMBER SECRETARY
ARANTZA ESTEFANÍA LARRAÑAGA	REPSOL INDUSTRIAL TRANSFORMATION, S.L.	NON-BOARD MEMBER SECRETARY
ANTONIO MARIA PRADERA JAUREGUI	TUBACEX, S.A.	BOARD MEMBER
ANTONIO MARIA PRADERA JAUREGUI	CONSEJO DE LA ALTA, S.A.	BOARD MEMBER
ANTONIO MARIA PRADERA JAUREGUI	CORPORACIÓN FINANCIERA ALBA, S.A.	CHAIR

Board member name or company name	Name of the company, listed or not	Position
ANTONIO MARIA PRADERA JAUREGUI	FULLSTEP NETWORKS, S.A.	BOARD MEMBER
ANTONIO MARIA PRADERA JAUREGUI	GLOBAL DOMINION ACCESS, S.A.	CHAIR
ANTONIO MARIA PRADERA JAUREGUI	INSTITUTO SECTORIAL DE PROMOCIÓN Y GESTIÓN DE EMPRESAS DOS, S.A.	SOLE DIRECTOR
ANTONIO MARIA PRADERA JAUREGUI	INVERSIONES ESTRATEGIA CONOCIMIENTO GLOBAL CYP, S.L.	CEO
ANTONIO MARIA PRADERA JAUREGUI	GRUPO INVERSIONES INSSEC, S.L.	SOLE DIRECTOR
FRANCISCO JOSÉ RIBERAS MERA	TELFÓNICA, S.A.	BOARD MEMBER
FRANCISCO JOSÉ RIBERAS MERA	Q-ENERGY TENENCIA Y GESTION III SCR, S.A.	BOARD MEMBER
FRANCISCO JOSÉ RIBERAS MERA	ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L.	JOINT AND SEVERAL DIRECTOR
FRANCISCO JOSÉ RIBERAS MERA	ORILLA ASSET MANAGEMENT, S.L.	SOLE DIRECTOR
FRANCISCO JOSÉ RIBERAS MERA	INMOBILIARIA ACEK, S.L.	JOINT DIRECTOR
FRANCISCO JOSÉ RIBERAS MERA	ACEK ENERGIAS RENOVABLES, S.L.	JOINT DIRECTOR
FRANCISCO JOSÉ RIBERAS MERA	HOLDING GONVARRI, S.L.	NON-BOARD MEMBER SECRETARY
FRANCISCO JOSÉ RIBERAS MERA	Other companies held by ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L.	BOARD MEMBER
FRANCISCO JOSÉ RIBERAS MERA	Other companies held by Orillas Asset Management	BOARD MEMBER
FRANCISCO JOSÉ RIBERAS MERA	Companies of the Acek Energías Renovables Group	BOARD MEMBER
FRANCISCO JOSÉ RIBERAS MERA	Companies of the Gonvarri Group	BOARD MEMBER
FRANCISCO JOSÉ RIBERAS MERA	Companies of the Inmobiliaria Acek Group	BOARD MEMBER
FRANCISCO JOSÉ RIBERAS MERA	WALLBOX, N.V.	BOARD MEMBER
SHRIPRAKASH SHUKLA	Companies of the Mahindra & Mahindra, LTD Group	BOARD MEMBER

Board member name or company name	Name of the company, listed or not	Position
JACOBO LLANZA FIGUEROA	ALANTRA WEALTH MANAGEMENT AGENCIA DE VALORES, S.A.	BOARD MEMBER
JACOBO LLANZA FIGUEROA	ACCESS CAPITAL, S.A.	BOARD MEMBER
JACOBO LLANZA FIGUEROA	ACCESS CAPITAL PARTNERS GROUP, S.A.	BOARD MEMBER
FERMIN DEL RIO SANZ DE ACEDO	VIVEROS SAN ANTON, S.A.	BOARD MEMBER
FERMIN DEL RIO SANZ DE ACEDO	IBAIAREN INVESTMENT SERVICES, S.L.	SOLE DIRECTOR
FERMIN DEL RIO SANZ DE ACEDO	ALAI EXTRUSION, S.A.	BOARD MEMBER
MARIA TERESA SALEGUI ARBIZU	BAS PROJECTS CORPORATION, S.A.	BOARD MEMBER
MARIA TERESA SALEGUI ARBIZU	F&F INVERSIONES EN PROYECTOS Y ENERGIA, S.L.	BOARD MEMBER
MARIA TERESA SALEGUI ARBIZU	SALENGOA, S.L.	JOINT DIRECTOR
MARIA TERESA SALEGUI ARBIZU	BAZTANGO, S.L.	JOINT DIRECTOR
MARIA TERESA SALEGUI ARBIZU	PERTH ESPACIO Y ORDEN, S.L.	CHAIR
MARIA TERESA SALEGUI ARBIZU	LARRONDO PROYECTOS, S.A	BOARD MEMBER
JESUS MARIA HERRERA BARANDIARAN	GLOBAL DOMINION ACCESS, S.A.	BOARD MEMBER
JAVIER FERNÁNDEZ ALONSO	DEYA CAPITAL IV SCR S.A.	BOARD MEMBER
JAVIER FERNÁNDEZ ALONSO	ARTA CAPITAL SGEIC, S.A.	BOARD MEMBER
JAVIER FERNÁNDEZ ALONSO	PROFAND FISHING HOLDING, S.L.	BOARD MEMBER
JAVIER FERNÁNDEZ ALONSO	EBRO FOODS, S.A.	BOARD MEMBER
JAVIER FERNÁNDEZ ALONSO	DEYA CAPITAL, SCR, S.A.	BOARD MEMBER
JAVIER FERNÁNDEZ ALONSO	RIOJA, S.A.R.L.	BOARD MEMBER
JAVIER FERNÁNDEZ ALONSO	RIOJA ACQUISITION, S.A.R.L.	BOARD MEMBER

Board member name or company name	Name of the company, listed or not	Position
JUAN MARÍA RIBERAS MERA	GESTAMP 2020, S.L.	BOARD MEMBER
JUAN MARÍA RIBERAS MERA	TMH - Tmond Holding, S.A.	BOARD MEMBER
JUAN MARÍA RIBERAS MERA	Q-LIVING ASSET MANAGEMENT, S.G.E.I.C., S.A.	BOARD MEMBER
FRANCISCO JOSÉ RIBERAS MERA	GESTAMP 2020, S.L.	BOARD MEMBER
ABANTI SANKARANARAYANAN	Sociedades del grupo Mahindra & Mahindra LTD	BOARD MEMBER
JAVIER FERNÁNDEZ ALONSO	VISCOFÁN, S.A.	BOARD MEMBER
IÑIGO BAREA EGAÑA	TAKEAWAY EXPRESS SPAIN, S.L.U.	JOINT AND SEVERAL DIRECTOR

Juan María Riberas Mera is also a Trustee of the JUAN XXIII FOUNDATION.

Francisco José Riberas Mera is also Chair of the Board of Trustees of the FUNDACIÓN CONSEJO ESPAÑA CHINA, of the ASOCIACIÓN ESPAÑOLA DE PROVEEDORES DE AUTOMOCIÓN (Sernauto).

María Eugenia Girón Dávila is also Vice-Chair of the International Board of Trustees of Oceana and member of the Board of Trustees of the Real Fábrica de Tapices and IE University as well as President of the Diversity Foundation.

Arantza Estefanía Larrañaga is also Chair of the Economic Committee of the Economic and Social Council of the Basque Country and non-director secretary of Bilbao Exhibition Centre, S.A.

Indicate, if applicable, any other remunerated activities of the Board Members or representatives of the Board Members, whatever their nature, other than those indicated in the above table.

Identification of the board member or representative	Other remunerated activities
No information	

C.1.12 Indicate and, if applicable explain whether the company has established rules on the maximum number of company boards its directors sit on, identifying, if applicable, where it is regulated:

Yes

No

C.1.13 Indicate the amounts of the following different types of pay related to the total remuneration of the board:

Remuneration accrued for the board in the year (thousands of euros)	8,556
Amount of funds accumulated by current directors for long-term savings systems with vested economic rights (thousands of euros)	

Amount of funds accumulated by current board members for long-term savings systems with non-consolidated economic rights (thousands of euros)	
Amount of funds accumulated by former board members for long-term savings systems (thousands of euros)	

C.1.14 Identify the senior manager who are not also executive directors, and indicate the total remuneration accrued in their favor during the year:

Name or company name	Position(s)
ALEXANDER TORRES COLOMAR	Plastics Director, Brazil, and Mexico
AITOR ZAZPE GOÑI	Director of the European Plastics and Roof Systems Divisions and Human Resources Director
JUSTINO UNAMUNO URCELAY	Director of CIE's Forging and Metal Divisions for Europe and China.
IRACHE PARDO VILLANUEVA	Director of finance, treasury, and corporate purchasing
SUSANA MOLINUEVO APELLÁNIZ	Director of corporate social responsibility and compliance
JOSÉ LUIS CASTELO SÁNCHEZ	Director of stamping, Mexico
MARIA MIÑAMBRES GARCIA	Director of corporate controlling and taxes
ANDER ARENAZA ALVAREZ	Director of the Aluminum and Machining Divisions and CEO of Mahindra CIE Automotive
LOREA ARISTIZÁBAL ABÁSULO	Director of corporate development and investor relations

Number of female senior managers	4
Percentage of total members of senior management	44.44
Total senior management remuneration (in thousands of euros)	9,956

C.1.15 Indicate if there were any changes to the board's regulations during the year:

- [ ] Yes  
[ v ] No

C.1.16 Indicate the procedures for selecting, appointing, re-electing, and removing directors. Specify the competent bodies, the formalities required and the criteria to use in each procedure.

The general meeting is responsible for appointing board members, although the board has the power to designate members as replacements in the event of a vacancy. To that end, article 23 of the bylaws states that:

- "4. - It is not necessary to be a shareholder to be appointed to the board.  
5. - Board members will hold their position for four (4) year terms, and they may be re-elected once or several times to similar terms.  
6. - The Board members appointed by co-opting will hold office until the date of the first General Meeting.  
7. - The Board members will cease to hold office when so decided by the General Meeting, when they notify the Company of their resignation or departure and when the period for which they were appointed has elapsed. In this latter case, the resignation will take effect on the day when the next General Meeting is held or when the legal term for holding the Meeting that must resolve on the approval of the accounts of the previous year has elapsed.  
8. - The members of the administrative body will perform the duties stipulated by Law with the diligence of an orderly businessman, taking into account the nature of the position and the functions attributed to each of them. In addition, the Board members will perform their duties with the loyalty of a loyal representative, acting in good faith and in the best interest of the company. The Regulations of the Board will develop the specific obligations of the directors deriving from the duties included in the Law and, in particular, those of confidentiality, non-competition and loyalty, paying special attention to situations of conflict of interest."



Article 23 of the Board Regulations also stipulates the following:

- "1. The Board Members will be appointed by the General Meeting or by the Board of Directors in accordance with the law.
2. The proposals for appointment and re-election of Members that the Board of Directors submits to the consideration of the General Meeting and the appointment decisions adopted by the Board, by virtue of the co-opting powers legally attributed to it, must be preceded by the corresponding proposal of the Appointments and Remuneration Committee, in the case of independent Directors, or by the report from that Committee, in the case of all other Directors. If the Board does not follow the report by the Appointments and Remuneration Committee, it must explain the reasons for not doing so and record its reasons in the minutes.
3. The proposals and reports of the Appointments and Remuneration Committee must expressly assess the candidates' honor, suitability, solvency, competence, experience, qualifications, training, availability, and commitment to their duties. For these purposes, the Appointments and Remuneration Committee will determine the estimated time of dedication, in number of hours per year, for non-executive Directors, stating this in the corresponding report or proposal.
4. The Appointments and Remuneration Committee must propose or report, in each case, the assignment of the Director to one of the categories specified in these Regulations and review it on an annual basis."

**C.1.17 Explain the extent to which the annual evaluation of the Board has led to significant changes in its internal organization and in the procedures applicable to its activities:**

**Describe the changes**

The annual evaluation of the Board, which was performed by Evaluación de Consejos S.L. (EdC) this year, has served to reflect and take notes on the functioning of the Board and its collegiate bodies, with a Plan of Action established, led by the Appointments and Remuneration Committee, to continue to make progress on the quality and efficacy of its management body.

Describe the evaluation process and the areas evaluated that have been carried out by the board of directors assisted, if applicable, by an external consultant, regarding the functioning and composition of the board and its committees and any other areas and aspects that have been subject to evaluation.

**Description of the evaluation process and areas evaluated**

The independent external company, EdC, designated by the company's Appointments and Remuneration Committee (ARC), has performed the work for assessing the Board's functioning by taking as a reference various generally accepted manuals and methodologies on applying good corporate governance principles at listed companies, and more specifically, Recommendation 36 from the CNMV's Good Governance Code and the CNMV's technical manual on Appointments and Remuneration Committees 1/2019.

The work was performed based on the following activities:

- Examining relevant documentation: company policies posted by CIE on its website, examples of notices of meeting and board meeting minutes, Annual Corporate Governance Report, rules for the board and committees, Director Remuneration Report, and other documents of a public nature.
- Producing a questionnaire given to the directors and adapted to CIE's strategy and objectives.
- Using interviews with directors for direct comparison with the opinions reported in the questionnaires, to further examine the responses and capture more qualitative views.

Based on the Company's strategy and objectives, the following areas were prioritized for further analysis, which include those recommended by the CNMV for assessing the board's functioning:

- The board's quality and effectiveness
- The board's membership
- Membership and functioning of the committees
- ESG aspects
- Communication policy
- Succession plans
- Performance of roles established in bylaws
- Individual contributions and performance
- Other aspects

The quantitative results compiled from the questionnaire responses show a high degree of satisfaction with the board's functioning. Those data demonstrate satisfaction with the changes implemented on the board.

The aggregate mean score for capacity for improvement for all areas analyzed is 1.36 (1: marginal capacity for improvement, 4: maximum capacity for improvement). Based on EdC's experience in similar situations, the benchmark range for that mean tends to be between 1.8 and 2.2.

The individual areas that show the highest relative values for capacity for improvement, although they are far below the typical values seen at other companies, are:

- Succession plans
- Communication policy

The appropriate Plan of Action is being established, led by the Appointments and Remuneration Committee, to continue making progress in terms of its management body's quality and efficacy.

C.1.18 For the years where an external consultant helped with the evaluation, a breakdown of the business relationships that the consultant and any companies in its group have with the company and any companies in its group.

N/A.

C.1.19 Indicate the cases where directors must be dismissed.

Article 26 of the Board Regulations stipulates the following:

"1. Board members or any of them will be dismissed in the terms provided in the legislation applicable at any given time.

2. Board members must place their position at the disposal of the Board and submit their resignation, if the Board deems it appropriate, in the following cases:

- a) In the case of Director representing substantial shareholders, when they or the shareholders they represent transfer their holdings in the Company.
- b) In the case of executive Directors, whenever the Board deems it appropriate and, in any case, if they cease to hold an executive position in the Company and the companies of its Group.
- c) If they have a conflict of interest or are prohibited from performing their position as specified by law.
- d) If they are prosecuted for an allegedly criminal act or are subject to disciplinary proceedings for serious or very serious misconduct by the supervisory authorities.
- e) In the case of CEOs, they will be dismissed from their position at the age of 65, but may continue as Board Members, without prejudice to letter (b) above.
- f) If they are seriously reprimanded by the Board following a report from the Audit and Compliance Committee for having breached their obligations as Board Members. "

C.1.20 Are super majorities required beyond those provided by law for adopting any type of decision?

Yes

No

If so, describe the differences.

Description of the differences
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Article 3 of the Board Regulations provides that a majority of at least two thirds of the directors present or represented at the meeting in question will be necessary to amend the Regulations, as opposed to the Companies Act, which does not provide for special majorities for this case.

C.1.21 Explain whether there are specific requirements, other than those relating to the directors, to be appointed chair of the board:

Yes

No

C.1.22 Indicate whether the bylaws or board regulations place an age limit on board members:

- Yes  
 No

	Age Limit
Chair	N.A.
CEO	65
Director	N.A.

C.1.23 Indicate whether the bylaws or the board regulations establish a limited term or other more restrictive requirements beyond those provided by law for independent board members, aside from the regulations:

- Yes  
 No

C.1.24 Indicate whether the bylaws or the board regulations establish specific rules for delegating voting in the board to other directors, the manner for doing so and, in particular, the maximum number of proxies that a director may have, as well as whether any limitation has been established regarding which categories may be proxies, beyond the limitations imposed by law. If so, give a brief description of these rules.

Article 22(2) of the Board Regulations stipulates the following:

"Board members must attend the meetings of the Board and, when they are unable to do so in person, they must delegate another board member to represent them, together with the appropriate instructions. Non-executive Directors may only delegate other non-executive Directors as proxies. Representation may not be delegated in relation to matters regarding which the Board Member is in any situation of conflict of interest. Proxies must be granted on a special basis for each meeting of the Board, and may be communicated by any of the means provided for convening meetings. "

C.1.25 Indicate the number of times the board met during the year. Also indicate, if applicable, the number of times the board met without the chair in attendance. The calculation should include proxies with specific instructions.

Number of board meetings	8
Number of board meetings without the chair in attendance	0

Indicate the number of times the coordinating director held meetings with the other board members without a CEO in attendance:

Number of meetings	0
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Indicate the number of times the board's various committees met during the year:

Number of Audit and Compliance Committee meetings	5
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Number of Appointments and Remuneration Committee meetings	3
Number of ESG Committee meetings	4

C.1.26 Indicate the number of times the board met during the year and the attendance information of its members:

Number of meetings with at least 80% of the board members present in person	7
In-person attendance % out of total votes during the year	88.07
Number of meetings with all board members present in person or represented by proxies with specific instructions	4
% of votes issued with in-person attendance and proxies with specific instructions, out of the total votes cast during the year	93.57

C.1.27 Indicate if the individual and consolidated annual financial statements submitted to the board for drawing up are certified first:

Yes

No

If applicable, indicate the person(s) who certified the company's individual and consolidated annual financial statements, for drawing up by the board:

C.1.28 Explain any mechanisms the board put in place to ensure that the annual financial statements it submits to the general meeting are drawn up in accordance with accounting regulations.

Pursuant to Article 3 of the Audit and Compliance Committee Regulations, the committee's duties include:

- g) Supervising the process of preparing and reporting mandatory financial and non-financial information.
- h) Proposing to the Board, for submission to the General Meeting, the appointment, re-election, or replacement of the auditors, as well as the conditions for retaining them, in accordance with the applicable regulations, and to receive regular information from them on the audit plan and its implementation, in addition to preserving their independence in the exercise of their functions.
- i) Supervising the work of the Compliance and Internal Audit areas, which will functionally report to the Audit and Compliance Committee, and ensuring their independence.
- j) Proposing the selection, appointment, and dismissal of those responsible for the Compliance and Internal Audit services; proposing the budget for these services; approving the orientation and annual work plan, ensuring that their activity is focused primarily on the relevant risks; receiving periodic information on their activities; and verifying that Senior Management takes into account the conclusions and recommendations of their reports.
- k) Establishing the appropriate relationships with the auditors to receive information on any issues that may jeopardize their independence, for examination by the Committee, and any others related to the process of auditing the accounts, along with any other communications specified in the legislation on auditing of accounts and in the other auditing standards.
- l) In any case, it will receive annually from the auditors written confirmation of their independence in relation to the Company or entities directly or indirectly related to it, as well as information on additional services of any kind rendered and the corresponding fees received from these entities by the aforementioned auditors, or by the persons or entities related to them in accordance with the legislation on auditing of accounts.
- m) Issuing annually, prior to the audit report, a report expressing an opinion on the independence of the auditors. This report must, in any case, express an opinion on the provision of the additional services referred to in the preceding section, on the terms established by law.
- n) Informing the Board regarding the financial and non-financial information that, due to its status as a listed company, the Company must periodically make public, ensuring that the interim financial statements are prepared under the same accounting criteria as the annual accounts and, to this end, considering the appropriateness of a limited review by the auditor.

C.1.29 Is the secretary of the board a board member?

Yes

No

If the secretary is not a board member, fill out the following table:

Name or company name of the secretary	Representative
JOSÉ RAMÓN BERECIBAR MUTIOZABAL	

C.1.30 Indicate the specific mechanisms that the company has put in place to preserve the independence of the external auditors, and the case being, the mechanisms to preserve the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

Article 46 of the Board Regulations regulates the relations with the external auditors as follows:

"Article 46. Relations with Auditors

1. The Board's relations with the Company's external auditors will be channeled through the Audit and Compliance Committee, on the terms resulting from the Bylaws and the Regulations of the Audit and Compliance Committee.

2. In its report, the Board will report the fees paid by the Company each year to the auditor for services other than auditing.

3. The Board will endeavor to draw up the annual accounts in such a way that there is no room for qualifications by the auditor. However, when the Board considers that its opinion should be kept, it must explain the content and scope of the discrepancy. "

By virtue of this mandate, the Audit and Compliance Committee will be responsible for maintaining relations with the external auditors in order to receive information on any matters that may jeopardize their independence and on any other matters related to the process of auditing the financial statements, as well as any other communications specified in the legislation on auditing the financial statements and in the technical auditing standards.

C.1.31 Indicate whether the Company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes  
 No

If there were disagreements with the outgoing auditor, explain their content:

Yes

No

C.1.32 Indicate if the audit firm performs other work for the company and its group other than auditing services, and in that case state the amount of the fees paid for that work and the percentage it represents of the fees billed to the company and its group for audit services:

Yes

No

	Company	Group companies	Total
Amount of non-auditing services (thousands of euros)	129	390	519

Amount of non-auditing services / Amount of auditing services (in %)	75.17	31.50	36.82
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C.1.33 Indicate if the audit report on the previous year's financial statements contained qualifications. If so indicate the reasons that the head of the Audit Committee gave to the general meeting to explain the content and extent of the qualifications.

- Yes  
 No

C.1.34 Indicate the number of years that the current audit firm has been auditing the company's individual and consolidated annual financial statements without interruption. Also indicate the percentage of years audited by the current audit firm out of the total number of years with audited annual financial statements:

	Individual	Consolidated
Number of uninterrupted years	21	21
	Individual	Consolidated
No. of years audited by the current audit firm / No. of years the company and its group have been audited (in %)	58.33	58.33

C.1.35 Indicate, and if applicable provide details, whether there is a procedure for board members to get the necessary information to prepare for management body meetings sufficiently in advance:

- Yes  
 No

Details of the procedure

In accordance with Article 20 of the Board Regulations, at the time the meeting is called, the directors will be sent the relevant information for the purposes of the meeting. In addition, sufficiently in advance, the directors are sent a copy of the presentation that will serve as a guide for the meeting, so that they are aware in advance of the content of the various items on the agenda and have enough time to prepare for the meetings.

In addition, Article 29 of the Board Regulations states that, in order to be assisted in the performance of their duties, any directors may request the engagement, at the company's expense, of legal, accounting, financial, technical, commercial, or other expert advisors, if they deem it necessary for the proper performance of their duties. The assignment must necessarily deal with specific problems of special complexity.

C.1.36 Indicate and, if applicable, provide details, on whether the company has put rules in place that require directors to report and, if applicable, resign when situations arise that affect them, whether or not they are related to their performance in the company itself, that could damage the credit and reputation of the company:

- Yes  
 No

Explain the rules

Article 26. 2(d) of the Board Regulations requires its members to place their position at the disposal of the Board in the event that "(. . .) they are prosecuted for an allegedly criminal act or are the subject of disciplinary proceedings for serious or very serious misconduct conducted by the supervisory authorities".

C.1.37 Indicate, unless there have been special circumstances recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting director, whether or not it is related to their performance in the company itself, which could damage the credit and reputation of the company:

Yes

No

C.1.38 Provide details of any significant agreements that the company has reached and that come into force, are modified, or terminated in the event of a change in control of the company due to a public buyout bid, and their effects.

There are no such significant agreements.

C.1.39 Identify individually, in the case of directors, and in aggregate in all other cases, and indicate, in detail, any agreements between the company and its executives and directors or employees that provide for severance pay or golden parachute clauses if they resign or are unfairly dismissed or if the contractual relationship comes to an end as a result of a takeover bid or other types of operations.

Number of beneficiaries	1
Type of beneficiary	Description of the agreement
CEO of the company	The contract with the CEO complies with subsections (g) (clawback) and (h) (termination) of section IV of the Director Remuneration Policy. "(g) Claw-back clauses. In view of the proposal, if applicable, by the Appointments and Remuneration Committee, the Board has the power to claim any remuneration already paid out in relation to the commitment to remain and not compete (claw-back clauses) in the aforementioned circumstances. In addition, additional grievance measures may be taken in special situations such as fraud, and serious breach of law. " "(h) Severance clauses. The CEO will be entitled to receive the full amount of his long-term variable remuneration and the full amount of his tenure and non-compete commitment in the event that the General Meeting and the Board decide not to retain him in office for any circumstances within the ten (10) year period from January 1, 2018. In addition, he may also be entitled to receive an additional amount (at most, equivalent to two years' worth of his fixed and variable remuneration in the short term) to be included, if applicable, in his contract."

Indicate whether, beyond in the cases provided for by regulations, these contracts must be reported to and approved by the bodies of the company or of its group. If so, specify the procedures, the cases envisaged and the nature of the bodies responsible for approving or communicating them:

	Board of directors	General meeting
Body that authorizes the clauses	√	√

	Yes	No
Is the general meeting informed of the clauses?	√	



**C.2. Board committees**

C.2.1 Provide details on all of the board's committees, their members, and the proportion of executive, proprietary, independent, and other external board members on them:

Appointments and Remuneration Committee		
Name	Position	Category
MARÍA EUGENIA GIRÓN DÁVILA	MEMBER	Independent
ELENA MARÍA ORBEGOZO LABORDE	MEMBER	Independent
ARANTZA ESTEFANÍA LARRAÑAGA	CHAIR	Independent
FRANCISCO JOSÉ RIBERAS MERA	MEMBER	Director representing substantial shareholder

% of executive directors	0.00
% of Directors representing substantial shareholders	25.00
% of independent directors	75.00
% of other external directors	0.00

Explain the duties, including, if applicable, any beyond those required by law, assigned to this committee, and describe its procedures and rules of organization and operation. For each of these duties, indicate its most important actions during the year and how it has exercised in practice each of the functions attributed to it, whether by law or in the bylaws or in other corporate resolutions.

The Appointments and Remuneration Committee is an internal informative and consultative body without executive functions that has the power to provide information, advice, and proposals in areas under its purview.

To that end, the Appointments and Remuneration Committee will have the following powers:

- a) Proposing to the Board the remuneration policies for directors and senior managers and reviewing them periodically, proposing, where appropriate, modifications to them and updating the Board.
- b) Reporting on and reviewing the criteria to be followed for the composition of the Board and the selection of candidates and, in particular, the skills, knowledge and experience required, as well as evaluating the time and dedication required to properly perform their duties.
- c) Ensuring that, when filling new vacancies or appointing new directors, the selection procedures do not suffer from implicit biases that could imply any discrimination and, in particular, that they do not hinder the selection of female directors.
- d) Establishing a representation target for the under-represented gender on the Board and developing guidelines on how to hit this target.
- e) Submitting proposals to the Board on the appointment of independent directors for appointment by co-opting or for submission to the decision of the General Meeting, as well as proposals for the re-election or removal of those directors by the General Meeting, and reporting on proposals for the removal of those directors made by the Board.
- f) Reporting on the proposals for the appointment of the remaining Board Members for their appointment by co-opting or for their submission to the decision of the General Meeting, as well as the proposals for the re-election or removal of those Board Members by the General Meeting.
- g) Reporting on and submitting the proposals for the appointment of the internal positions of the Board and the members that should sit on each committee.
- h) Examining and organizing the succession of the Chair of the Board and the CEO of the Company and, where appropriate, sending the Board proposals so that the succession occurs in an orderly and planned manner, in accordance with the succession plan approved by the Board.
- i) Proposing to the Board the system and amount of the annual remuneration of the directors, as well as the individual remuneration of the CEOs and the other basic conditions of their contracts, including any compensation or indemnities that may be fixed in the event of their departure, in accordance with all cases with the directors' remuneration policy approved by the General Meeting.

- j) Supervising the process of selecting candidates for senior management of the Company and reporting on the Company's CEO's proposals regarding the appointment or removal of senior managers.
- k) Reporting and submitting to the Board the proposals by the Company's CEO regarding the remuneration structure of senior executives and the basic conditions of their contracts.
- l) Ensuring compliance with the Company's remuneration programs and reporting on the documents to be approved by the Board for general disclosure regarding information on remuneration, including the Annual Report on Directors' Remuneration and the corresponding sections of the Company's Annual Corporate Governance Report.
- m) Any other duties that may be resolved by the Company's Board.

In relation to its basic duties regulated under the Board Regulations, the committee's main actions this year were:

- (a) Reporting on the process of searching for new independent Board members, until the proposal on appointment of two new independent female directors has been prepared.
- (b) Reporting on the new directors.
- (c) Analyzing the IAGC, the IARC and the Annual Financial Report in the areas under its purview.
- (d) Reporting on the remuneration of the Board members.
- (e) Monitoring the evaluation of the Board members.
- (f) Reporting on the type of each member of the Board.

ESG Committee		
Name	Position	Category
MARÍA EUGENIA GIRÓN DÁVILA	CHAIR	Independent
ELENA MARÍA ORBEGOZO LABORDE	MEMBER	Independent
ARANTZA ESTEFANÍA LARRAÑAGA	MEMBER	Independent
MARIA TERESA SALEGUI ARBIZU	MEMBER	Director representing substantial shareholder
IÑIGO BAREA EGAÑA	MEMBER	Director representing substantial shareholder

% of executive directors	0.00
% of Director representing substantial shareholders	40.00
% of independent directors	60.00
% of other external directors	0.00

Explain the duties delegated or attributed to this committee other than those already described in section C.1.9, and describe its procedures and rules of organization and operation. For each of these duties, indicate its most important actions during the year and how it has exercised in practice each of the functions attributed to it, whether by law, in the bylaws or in other corporate resolutions.

The ESG Committee is an internal informative and consultative body without executive functions that has the power to provide information, advice, and proposals in areas under its purview.

To this effect, the ESG Committee will have the following responsibilities:

- a) Ensuring the existence of a Code of Conduct in the Company, proposing its approval and its subsequent modifications to the Board, and promoting any relevant issue for the promotion of knowledge and compliance with the Code of Conduct.
- b) Supervising the regulations of the Company's ethics channel and internal procedures to verify their effectiveness in preventing inappropriate conduct and identifying any policies and procedures that may be more effective in promoting the highest ethical standards.
- c) Periodically reviewing the environmental policies, including climate change, social and corporate governance policies and proposing any modifications and updates to the Board for approval or submission to the General Shareholders' Meeting, that would contribute to their development and continuous improvement.
- d) Understanding, promoting, guiding, and supervising the strategy and performance of corporate governance in matters of sustainability and reporting on them to the Board.
- e) Supervising compliance with legal requirements and corporate governance standards.
- f) Supervising and assessing the relationship processes with the different stakeholders.
- g) Evaluating and reviewing the Company's plans for implementing ESG policies and tracking their degree of compliance.
- h) Reporting on the performance by entities of a foundational nature linked to the Group of the general interest and ESG activities entrusted to them.
- i) Reporting on the Company's Annual Corporate Governance Report prior to its approval, requesting reports from the Audit and Compliance Committee and the Appointments and Remuneration Committee in relation to the sections of the report that fall within its purview, and the annual report.
- j) Any other duties that may be resolved by the Company's Board.

During the year in question, the most significant actions have been the following:

- (i) approving the ESG Strategic Plan;
- (ii) reporting on the consolidated Statement of Financial Information and the circumstances related to its content;
- (iii) tracking the operation of the Code of Ethics and the incidents that occurred during the year as a result of the Ethics Mailbox;
- (iv) assessing the corporate policies and actions to be implemented throughout the year, and escalating suggestions on amending the existing policies.

Audit and Compliance Committee		
Name	Position	Category
MARÍA EUGENIA GIRÓN DÁVILA	MEMBER	Independent director
ELENA MARÍA ORBEGOZO LABORDE	CHAIR	Independent director
ARANTZA ESTEFANÍA LARRAÑAGA	MEMBER	Independent director
MARIA TERESA SALEGUI ARBIZU	MEMBER	Director representing substantial shareholder
JAVIER FERNÁNDEZ ALONSO	MEMBER	Director representing substantial shareholder

% of executive directors	0.00
% of Directors representing substantial shareholders	40.00
% of independent directors	60.00
% of other external directors	0.00

Explain the duties, including, if applicable, any beyond those required by law, assigned to this committee, and describe its procedures and rules of organization and operation. For each of these duties, indicate its most important actions during the year and how it has exercised in practice each of the functions attributed to it, whether by law or in the bylaws or in other corporate resolutions.

The Audit and Control Committee has the responsibility of assisting the Company's Board in the supervision of the financial and non-financial statements as well as in the exercise of the control function in the Company and the companies that are part of its Group.

To that end, the Audit and Control Committee will have the following powers:

- a) Periodically reviewing the risk policy and proposing amendments and updates to the Board.
- b) Approving the policy on retaining the auditor.
- c) Informing the General Meeting regarding any questions the shareholders in it raise on matters under its purview.
- d) Supervising the effectiveness of the internal control mechanisms of the Company and its Group, as well as their systems for managing financial and non-financial risks, including tax risks and risks related to corruption.
- e) Generally ensuring that the internal control policies and systems in place are applied effectively in practice.
- f) Analyzing, together with the auditors, any major weaknesses of the internal control system detected during the audit.
- g) Supervising the process of preparing and reporting mandatory financial and non-financial information.
- h) Proposing to the Board, for submission to the General Meeting, the appointment, re-election, or replacement of the auditors, as well as the conditions for retaining them, in accordance with the applicable regulations, and to receive regular information from them on the audit plan and its implementation, in addition to preserving their independence in the exercise of their functions.
- i) Supervising the work of the Compliance and Internal Audit areas, which will functionally report to the Audit and Compliance Committee, and ensuring their independence.
- j) Proposing the selection, appointment, and dismissal of those responsible for the Compliance and Internal Audit services; proposing the budget for these services; approving the orientation and annual work plan, ensuring that their activity is focused primarily on the relevant risks; receiving periodic information on their activities; and verifying that Senior Management takes into account the conclusions and recommendations of their reports.
- k) Establishing the appropriate relationships with the auditors to receive information on any issues that may jeopardize their independence, for examination by the Committee, and any others related to the process of auditing the accounts, along with any other communications specified in the legislation on auditing of accounts and in the other auditing standards.
- l) In any case, it will receive annually from the auditors written confirmation of their independence in relation to the Company or entities directly or indirectly related to it, as well as information on additional services of any kind rendered and the corresponding fees received from these entities by the aforementioned auditors, or by the persons or entities related to them in accordance with the legislation on auditing of accounts.
- m) Issuing annually, prior to the audit report, a report expressing an opinion on the independence of the auditors. This report must, in any case, express an opinion on the provision of the additional services referred to in the preceding section, on the terms established by law.
- n) Informing the Board regarding the financial and non-financial information that, due to its status as a listed company, the Company must periodically make public, ensuring that the interim financial statements are prepared under the same accounting criteria as the annual accounts and, to this end, considering the appropriateness of a limited review by the auditor.
- o) Reporting to the Board, before it adopts the corresponding decision, on the creation or acquisition of shares in special purpose entities or entities domiciled in countries or territories considered as tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, might undermine the transparency of the Group.

p) Any other duties that may be resolved by the Company's Board.

During the year in question, the most relevant actions have been the following:

- (a) Analyzing the Periodic Public Information, prior to its submission to the CNMV and the Governing Bodies of the Bilbao and Madrid Stock Exchanges.
- (b) Analyzing the annual accounts (balance sheet, profit and loss account, statement of cash flows and statement of changes in equity and notes to the financial statements) and directors report of the Company and its consolidated group for the year ended December 31, 2021.
- (c) Following-up on the external audit procedures.
- (d) Analyzing the internal audit procedures and, in particular, the procedures related to the Internal Control System on the procedure for the preparation of financial information (ICFR).
- (e) Verifying the accounting liquidity status in relation to the approval of an interim dividend paid out from 2022 profits.
- (f) Analyzing the company's risk map. This year, the Audit Committee specifically analyzed the impact of the crisis arising from the health emergency resulting from COVID-19.
- (g) Reporting on the items under its purview on the general meeting's agenda, and especially on the corresponding re-selection of the external auditor.
- (h) Reporting on the CIE Group's tax policy.

Identify any board members on the audit committee who were appointed in view of their experience in accounting, auditing, or both, and reporting on the date when the committee's chair is appointed to the position.

Names of board members with experience	ELENA MARÍA ORBEGOZO LABORDE
Date chair was appointed to the position	4/28/2022

C.2.2 Complete the following table with the information regarding the number of female directors on the Board's committees at the end of the last four years:

	Number of directors							
	2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%
Appointments and Remuneration Committee	3	75.00	3	75.00	0	0.00	0	0.00
ESG Committee	4	80.00	4	80.00	2	66.66	2	66.66
Audit and Compliance Committee	4	80.00	4	100.00	1	33.33	1	33.33

C.2.3 Indicate, if applicable, the existence of regulations of the board committees, the place where they are available for consultation, and any changes that were made to them during the year. In turn, indicate whether an annual report on the activities of each committee has been prepared voluntarily.



## ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED LIMITED COMPANIES

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Each of the committees of the Board described in the preceding sections has its own regulations. This information is available on the company's website (<http://www.cieautomotive.com/web/investors-website/comisiones-del-consejo-de-administracion>).

None of the regulations of the above committees has been amended during financial year 2022.

The Audit and Compliance Committee, the Appointments and Remuneration Committee and the ESG Committee have prepared the corresponding reports on their activities during 2022, which have been made available on the above website.

**D. RELATED-PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS**

**D.1.** Explain, if applicable, the procedure and competent bodies for the approval of connected-party and intragroup transactions, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected directors or shareholders and detailing the internal reporting and periodic control procedures established by the company in relation to those connected-party transactions whose approval has been delegated by the board of directors.

The transactions that the company or group companies carry out with directors and shareholders with a significant holding or are represented on the board of directors, as well as with their related parties, must be first submitted for approval, in the terms established by law, before the board of directors after the Audit and Compliance Committee having issued its own report. In any case, whatever their nature, all related-party transactions are carried out at market prices and in compliance with the applicable regulations.

In addition, in the context of the reforms introduced by Law 5/2021 to the Corporate Enterprises Act, the General Shareholders Meeting held on April 28, 2022 agreed to modify article 9 of the Corporate Bylaws (Competence of the General Meeting) to expressly include within those matters falling within the exclusive competence of the General Meeting approval of those related party transactions which because of their very nature are reserved by law to that body, and in all cases, those transactions for which the amount or value of the transaction or the total amount of all transactions envisaged under an agreement or framework contract exceeds 10% of the Company's total assets.

**D.2.** Provide an individualized list of those transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the board of the company, indicating which body was competent body for their approval and whether any affected shareholder or director abstained. If the board was competent, indicate whether the proposed resolution was passed by the board without a majority of the independent directors voting against it:

	Name of shareholder or of any of its subsidiaries	Ownership %	Subsidiary company or entity name	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or board member that abstained	The proposal to the board, if any, was passed by the board without the majority of independent directors voting against it.
(1)	MAHINDRA & MAHINDRA LTD	7.83	MCIE Group	225,701	BOARD OF DIRECTORS	Directors representing substantial shareholders nominated by MAHINDRA & MAHINDRA LTD.	NO
(2)	MAHINDRA & MAHINDRA LTD	7.83	MCIE Group (2)	33,157	BOARD OF DIRECTORS	Directors representing substantial shareholders nominated by MAHINDRA & MAHINDRA LTD.	NO

	Name of shareholder or of any of its subsidiaries	Ownership %	Subsidiary company or entity name	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or board member that abstained	The proposal to the board, if any, was passed by the board without the majority of independent directors voting against it.
(3)	MAHINDRA & MAHINDRA LTD	7.83	MCIE Group (3)	192	BOARD OF DIRECTORS	Directors representing substantial shareholders nominated by MAHINDRA & MAHINDRA LTD	NO
(4)	MAHINDRA & MAHINDRA LTD	7.83	Golde Wuhan Co. LTD	28,423	BOARD OF DIRECTORS	Directors representing substantial shareholders nominated by MAHINDRA & MAHINDRA LTD	NO
(5)	MAHINDRA & MAHINDRA LTD	7.83	Golde Pune Pvt. Ltd.	5	BOARD OF DIRECTORS	Directors representing substantial shareholders nominated by MAHINDRA & MAHINDRA LTD	NO
(6)	GESCRAP, S.L.U.	0.00	Cie Automotive and subsidiaries	32,004	BOARD OF DIRECTORS	Director representing substantial shareholders nominated by ACEK DESARROLLO Y GESTIÓN INDUSTRIAL S.L.	NO
(7)	GESCRAP, S.L.U.	0.00	MAR_SK	102	BOARD OF DIRECTORS	Director representing substantial shareholders nominated by ACEK DESARROLLO Y GESTIÓN INDUSTRIAL S.L.	NO
(8)	GESTAMP AUTOMOCIÓN S.A.	0.00	CIE AUTOMETAL DE MEXICO	310	BOARD OF DIRECTORS	Director representing substantial shareholders	NO



	Name of shareholder or of any of its subsidiaries	Ownership %	Subsidiary company or entity name	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or board member that abstained	The proposal to the board, if any, was passed by the board without the majority of independent directors voting against it.
						nominated by ACEK DESARROLLO Y GESTIÓN INDUSTRIAL S.L.	
(9)	ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L.	15,69	Fullstep Network	34	BOARD OF DIRECTORS	Director representing substantial shareholders nominated by ACEK DESARROLLO Y GESTIÓN INDUSTRIAL S.L.	NO
(10)	ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L.	15,69	ORBELAN PLÁSTICOS S.A. and other group companies	21,884	BOARD OF DIRECTORS	Director representing substantial shareholders nominated by ACEK DESARROLLO Y GESTIÓN INDUSTRIAL S.L.	YES
(11)	GAM ESPAÑA SERVICIOS DE MAQUINARIA, S.L.	0.00	CIE Galfor, S.A.U.	145	BOARD OF DIRECTORS		NO

	Name of shareholder or of any of its subsidiaries	Type of relation	Type of transaction and other information necessary to assess it
(1)	MAHINDRA & MAHINDRA LTD	Commercial	During 2022, MAHINDRA CIE AUTOMOTIVE LTD and its investee companies (collectively, "MCIE") made the following to the group headed by MAHINDRA & MAHINDRA LTD: (i) sales for a total of 196,261 thousand (€), (ii) purchases for a total of 22,461 thousand (€), (iii) services received for a total of 2,241 thousand and (iv) sale of land for 4,739 thousand (€), all in the ordinary course of business.
(2)	MAHINDRA & MAHINDRA LTD	Corporate	During 2022 the acquisition took place of the participation in Mahindra CIE held by companies in the group headed by MAHINDRA & MAHINDRA LTD for 31,846 thousand (€) and a dividend was paid for 1,311 thousand (€), all in the ordinary course of business.

	Name of shareholder or of any of its subsidiaries	Type of relation	Type of transaction and other information necessary to assess it
(3)	MAHINDRA & MAHINDRA LTD	Contractual	During 2022 financial costs were incurred for the amount indicated in relation to companies belonging to the group headed by MAHINDRA & MAHINDRA LTD in the ordinary course of business.
(4)	MAHINDRA & MAHINDRA LTD	Commercial	During the year, payment was made for the amount indicated for sales in the ordinary course of business.
(5)	MAHINDRA & MAHINDRA LTD	Commercial	The amount indicated below has been paid for sales in the ordinary course of business.
(6)	GESCRAP, S.L.U.	Commercial	During 2022 scrap metal was sold in the ordinary course of business for the amount indicated.
(7)	GESCRAP, S.L.U.	Contractual	During 2022 payment has been made of the amount indicated for services provided to MAR_SK (weighing contract) in the ordinary course of business.
(8)	GESTAMP AUTOMOCIÓN, S.A.	Commercial	During 2022 payment has been made to Mexico Group companies of (i) 134 thousand (€) for sales and 176 thousand (€) for purchases in the ordinary course of business.
(9)	ACEK DESARROLLO Y GESTION INDUSTRIAL, S.L.	Commercial	During 2022 the amount indicated was paid for services received in the ordinary course of business.
(10)	ACEK DESARROLLO Y GESTION INDUSTRIAL, S.L.	Commercial	During 2022 the amount indicated was paid under the heading of purchases in the ordinary course of business.
(11)	GAM ESPAÑA SERVICIOS DE MAQUINARIA, S.L.	Commercial	During 2022 the amount indicated was paid for machinery rental in the ordinary course of business.

- D.3.** List individually the transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the directors or executives of the company, including those transactions carried out with entities that the director or executive controls or jointly controls, and indicating which body was competent for approving them and whether any affected shareholders or directors abstained.  
If the board was competent, indicate whether the proposed resolution was passed by the board without a majority of the independent directors voting against it::

	Name of the directors or executives or of the companies they control or are under joint control	Subsidiary entity or company name	Relation	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or board member that abstained	The proposal to the board, if any, was passed by the board without the majority of independent directors voting against it.
(1)	JESUS MARIA HERRERA BARANDIARAN	CIE AUTOMOTIVE, S.A.	Jesús María Herrera Barandiarán is a CEO of CIE AUTOMOTIVE, S.A.	6,500	GENERAL SHAREHOLDERS MEETING	JESUS MARIA HERRERA BARANDIARAN	YES
(2)	MANAGEMENT TEAM	CIE Automotive, S.A.	Certain group executives have benefitted from loans made by the group for the purchase of shares in CIE AUTOMOTIVE, S.A. as part of its long-term incentive plan.	14,588	BOARD OF DIRECTORS		NO

	Name of the directors or executives or of the companies they control or are under joint control	Type of transaction and other information necessary to assess it
(1)	JESUS MARIA HERRERA BARANDIARAN	Contractual, advance.
(2)	MANAGERMENT TEAM	Contractual. Share participation plan.

- D.4. Report on an individual basis any intra-group transactions that are significant due to their amount or relevant due to their subject matter carried out by the company with its parent company or with other entities belonging to the parent company's group, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in those subsidiaries or if those subsidiaries are wholly owned, directly or indirectly, by the listed company:

Any intragroup transaction carried out with entities incorporated in countries or territories that are considered tax havens must be reported:

Company name of the group entity	Short description of transaction and other information necessary to assess it	Amount (in thousands of EUR)
No data available		N.A.

- D.5.** List individually any transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties that are so in accordance with the International Accounting Standards adopted by the EU, which have not been reported under the previous headings.

Company name of the related party	Short description of transaction and other information necessary to assess it	Amount (in thousands of EUR)
SAMAP	Sales	7,911
SAMAP	Services rendered	2,813
FUNDACIÓN CIE AUTOMOTIVE I+D+i	Services received.	3,785
FUNDACIÓN CIE AUTOMOTIVE I+D+i	Services received.	17
Banca March, S.A.	Financial expenses. Loan.	596
MCIE ASSOCIATES (solar panels)	Energy services	3,506
Gescrap (associates of CIE Automotive)	Sales of scrap metal	66,260
GLOBAL DOMINION ACCESS, S.A.	Services received	342

- D.6.** Detail the mechanisms established for detecting, determining, and resolving possible conflicts of interest between the company and/or its group and its board members, managers, significant shareholders or other related parties.

Articles 9.3 (xvi) and 5.1 (xvi) of the Corporate Bylaws state the following with regard to the matters that are the exclusive competence of the Company's General Shareholders Meeting:

"Approval of transactions between the company and other group companies subject to conflict of interest when the business or transaction involved because of its very nature is legally reserved by law to the competence of the General Meeting, and in all cases, those transactions for which the amount or value of the transaction or the total amount of all transactions envisaged under an agreement or framework contract exceeds 10% of the company's total assets."

Article 34 of the Board Regulations states the following: "Article 34. Conflicts of Interest

1. Board Members must take the necessary measures to avoid being involved in situations of conflict of interest as established by law.

2. It will be considered that there is a conflict of interest in any situation where the personal interest of a Board Member and the interest of the Company directly or indirectly clash with one another. A personal interest exists when an issue either concerns a Board Member or a Related Party.

For the purpose of this Regulation, the Related Parties of a Board Member are the following:

1. The spouse of a Board Member or person in a similar relationship;
2. Ascendants, descendants, and siblings of a Board Member and those of the Board Member's spouse;
3. Spouses of the ascendants, descendants, and siblings of the Board Member;

4. Companies in which the Board Member, directly or by proxy, is found in any of the situations described in section 4 of Securities Market Act.

With regard to legal entities that are Board Members, Related Parties are understood to be the following:

1. With regard to the legal entity Board Member, Shareholders who are found in any of the situations described in section 4 of Securities Market Act;
2. Directors in fact or in law, receivers, and proxies with general powers of attorney for legal entity Board Members.
3. Companies belonging to the same group, as described in section 4 of Securities Market Act, and its shareholders.
4. With regard to the proxy of the legal entity Board Member, persons who are Related Parties to Board Members, pursuant to this section.

When there is a conflict of interest, the following rules will be applied:

- a) Communication: the Board Member must inform the Board of Directors and the Audit and Compliance Committee, through the Chairman or the Secretary, of any situation of conflict of interest.
- b) Abstention: the Board Member must leave the meeting and abstain from intervening during the debate and casting a vote in relation to any items on the agenda in which there is a conflict of interest with such Board Member. Directors representing substantial shareholders must abstain from voting on matters that may represent a conflict of interest between the shareholders having proposed their appointment and the Company.
- c) Transparency: the Company will report, when required in accordance with the law, on any situation of conflict of interest involving the Board Members during the year in question and that it is recorded in the notice regarding the party concerned or by any other means."

**D.7.** Indicate whether the company is controlled by another listed or unlisted entity under the scope of section 42 of the Commercial Code and has, directly or through its subsidiaries, business relationships with such entity or its subsidiaries (other than those of the listed company) or carries out activities linked to any of their activities.

Yes

No

## **E. CONTROL AND RISK MANAGEMENT SYSTEMS**

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### **E.1. Explain the scope of the company's Financial and Non-Financial Risk Control and Management Systems, including tax risk:**

CIE Automotive has a Risk Control and Management System (RMS) to reduce any risks that could jeopardize its corporate objectives to tolerable levels if they ever materialized. This model, defined under its Control and Risk Management Policy follows the ISO 31000 methodology and it is the responsibility of the Board, supported in its oversight and proper functioning by the Audit and Compliance Committee.

CIE Automotive's RMS reasonably ensures that all significant risks - strategic, operational, financial, Compliance and ESG (Environmental, Social and Good Governance) (the latter two from a non-financial sphere)- are prevented, identified, assessed, and subjected to continuous monitoring. These risks are approved by the Board of Directors and managed based on their risk appetite and risk tolerance levels.

With the strong and sustained commitment of Senior Management and the Management Team and rigorous strategic planning, CIE Automotive aims to achieve an environment in which it is possible to work with risk in a controlled manner, adopting an active management approach so that new opportunities can develop through appropriate management and added value.

Principles of the risk management framework:

- Promote a constructive view of the concept of risk.
- Commitment and skills of the persons involved.
- Communicate in a common language.
- Transparent communication within organization.

CIE Automotive's global corporate risk control and management process is based on the ISO 31000 methodology and has a five-step continuous cycle:

1. Identify key risks that may affect the achievement of the organization's objectives, including all the control objectives for financial and non-financial information, including tax risk.
2. Assess these based on their probability of occurring and their impact on the organization, always taking into account the existing controls. This ranking is used to place each risk on the Risk Map, being the main risk assessment tool.
3. Determine the response for each one.
4. Follow up on all agreed actions.
5. Report the outcome following the analysis.

### **E.2. Identify the company's bodies responsible for the preparation and performance of the Financial and Non-Financial Risk Control and Management Systems, including tax risk:**

Responsibility for the performance of the financial and non-financial Risk Control and Management system, including the tax risk, rests with the Board of Directors, which relies specifically on the Audit and Compliance Committee for its oversight and proper operation.

CIE Automotive's control and risk management policy requires that all business divisions identify and assess the risks they face when achieving their business objectives, in order to identify the appropriate mitigating measures sufficiently in advance to reduce or eliminate the likelihood of the risk occurring and/or its possible impact on the objectives if it were to materialize.

### **E.3. Indicate the main financial and non-financial risks, including tax risks and to the extent of the significance of those due to corruption (these under the scope of Royal Decree Law 18/2017), which may affect the achievement of the business objectives:**

During the development of its activity, CIE Automotive is exposed to a range of risks inherent to the various lines of business carried out and the countries in which they are carried out.

Moreover, a shift in the degree of socioeconomic uncertainty existing in the markets where CIE Automotive operates may lead to risk factors, currently unknown or not considered relevant, which could affect the reputation, the results and/or the financial position of the company.

The financial and non-financial risk categories that CIE Automotive faces while meeting its business objectives are as follows:

- Strategic Risks: affect the high-level objectives directly connected to the Strategic Plan.
- Operational Risks: affect the objectives linked to the effective and efficient use of resources.
- Financial Risks: affect the planned information reliability objectives, both internally and externally, including tax risks.
- Compliance Risks (non-financial): non-compliance risk enacted by Senior Management, the Management Team or employees associated with external and internal regulations.
- 
- ESG (Environmental, Social and Good Governance) (non-financial) Risks: affect environmental, social, ethical, and corporate governance aspects, including those involving corruption.

Risks assessed in 2022

Below is a list of the risks faced by the group that are assessed when drawing up the Risk Map, classified according to the company's key areas. Twenty risks were evaluated in 2022, one more than in 2021:

People

- Ensuring the safety and health of group employees as they perform their activities.
- Loss of corporate culture, the basis for the success of the company's business model.
- Lack of a succession plan for key personnel.
- Shortage of personnel to support company growth.
- Lack of a policy on training and recruiting sources.

Human Rights

- Breaches of the Professional Conduct Code by members of the group's personnel.

Bribery and corruption

- Criminal risk.
- Failure to comply with the law in any region where the company operates.
- Breach of any of the ten principles of the United Nations Global Compact, to which the company has been a signatory since 2015, and failure to contribute to compliance with the Sustainable Development Goals of the UN's 2030 Agenda for Sustainable Development with which the company is most aligned.

Finance

- Reliability of financial reporting
- Adoption of an aggressive fiscal strategy, or the risk that risks considered to be manageable might become unmanageable.
- Financial risk, understood as market risk: exchange rate, price and interest rate risks; liquidity and credit risks.

Society

- Reputational risk derived from activities not directly linked to the company's operations.
- Failure to align the supply chain to the group's ESG commitments.
- Changes in market trends.
- Non-compliance with customer expectations.
- Inorganic growth management.
- Cybersecurity and data privacy.

Environment

- Impact of climate change on the attaining of strategic objectives.

The 2022 Risk Map confirms and highlights the main risks intrinsic to the sector and their evolution, such as market trend changes, and another specific to the trajectory, growth, and future of CIE Automotive, which is inorganic growth management, as can be seen from the company's growing concern regarding geopolitical risk and its impact on the attaining of strategic objectives.

It also deals with the concern regarding cybersecurity and the potential economic harm that could result from its poor administration, and once again highlights the need for responsible and sustainable supply chain management as a consequence of raw material price increases and shortages generated by global supply chain problems that are returning us to an inflationary situation.

In all these scenarios, taking care of people, the company's greatest asset, is key, and here the risks concern the need for sufficient adequately trained and qualified personnel and an appropriate generational change (succession plan).



**E.4. State whether the entity has risk tolerance levels, including tax risks:**

The Board of Directors has approved acceptable risk levels for each type of risk, business, and geographic location, as well as the levels of allowable deviation based on the strategic objectives and the strategic lines for their achievement. Acceptable risk levels are periodically updated in line with changes made to the corporate strategy, the business risk profile and market conditions.

Risks that threaten the achievement of business objectives, including tax risk, are identified on a yearly basis, and are assessed according to how likely they are to occur and their possible economic, reputational and organizational impact, in order to determine the risk severity level.

**E.5. Indicate which financial and non-financial risks, including tax risks, have materialized during the year:**

The review of the 2022 Risk Assessment shows the alignment of the Risk Map with CIE Automotive's strategy, as well as the effectiveness of the Operational Internal Control System for financial and non-financial information since none of the key financial and non-financial risks materialized during the year.

**E.6. Explain the response and oversight plans for the entity's main risks, including tax risks, as well as the procedures implemented by the company to ensure that the board of directors can respond to any new challenges as they arise:**

The assessment and verification of the effectiveness of the corporate financial and non-financial risk control and oversight system is carried out periodically by the Compliance department, and risks in the fiscal area are analyzed by the Controlling and Tax department. Both these departments possess qualified and expert personnel working independently of the business lines and every year they submit a Risk Map to the Audit and Compliance Committee for its monitoring and approval which is later reported to the Board of Directors.

The Risk Map is a comprehensive report, broken down by region, technology and by region and technology, which shows the estimated impact (in EUR) on the EBITDA of any possible materialization for each risk, as well as the evolution of the main risks over the last three years for all listed categories. The entire process is monitored using the internal management tool called SAP GRC.

Measures adopted by CIE Automotive to monitor the main financial and non-financial risks in the 2022 Risk Map:

2022: Change in market trends:

CIE Automotive has a differentiated business model that has been proven to be highly efficient in changing, demanding environments such as those that we have been facing in recent years, and for those that we can expect in future.

In facing these changing trends we highlight the importance of coordination among all group departments. The R&D and market analysis areas have been carrying out a thorough and continuous analysis of the various trends that have been affecting the sector, and these analyses are shared with the commercial area and the different divisions so that their implications can be evaluated and action plans can be developed, which then form part of the various strategic plans that have been generated in the company since 2015.

That is why R&D projects developed independently or in association with our customers in areas such as electrification, the circular economy, lightweighting, safety and Industry 4.0 have given rise to key collaborations with traditional customers on the new developments that our customers are placing on the market that are aligned with the market changes we have mentioned. In addition, intensive sales efforts have been made to gain access to new players in the sector. These new players do not work in the same way as traditional OEMs, and our approach to them requires a redesign of the sales focus, so that we collaborate closely with our customers.

This effort has been rewarded, and we already have a series of projects under way with these customers, and are working at a development stage with potential new customers with business models that are totally different from traditional ones. It is here where a flexible, customer-centric structure with an engineering capacity that is differentiated from that of our comparable and competitor companies makes a difference. As a result of the continuing analysis of our environment and our interest groups, one of our fundamental focuses is on climate change and commitment to the fight against the climate emergency that society is currently having to confront.

Action has also been taken at organization level, with the unifying of the engineering and environment managements to provide a focus based on sustainability, decarbonization, circularity and eco-design from the earliest stages of development of new products and projects. This guarantees increased efficacy for our commitment to the use of recycled materials, lightweighting, the safety of our products and the fight against climate change. company continues to strengthen its flexibility model to thus adapt to current or future customer needs and new trends. The diversification of its product portfolio will make it more adaptive than its competitors, a portfolio where more than eight out of ten products are independent of the propulsion system that the vehicle has and therefore without impact due to the electrification process of the sector. For the rest of the products, work is being done both from a technological and market point of view to maximize the opportunities that are arising in the areas of batteries, engines and power electronics and gearboxes.

In relation to the risk of those products that do not have a clear substitute in zero-emission vehicles, CIE Automotive intends to increase its presence in those



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that make a greater contribution to vehicle lightweighting (forged chassis and suspension elements), increase its presence in axle and gear machining, and being active in the outsourcing of traditional technologies, to outsource the customers so as to focus on new challenges, such as connectivity, autonomous driving and offering solutions based on software embedded in vehicles.

In turn, value is placed on the innovation process developed in these areas that, through its deployment in the coming years, will give a competitive differential to ensure that the company comes out a winner in the process of taking advantage of the opportunity to consolidate the resulting market.

[Continues in section H.1]

## **F. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS FOR THE PROCESS OF REPORTING FINANCIAL INFORMATION (ICFR)**

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Describe the mechanisms comprising the control and risk management framework regarding internal control over financial reporting (ICFR) of the entity.

### **F.1. Control environment of the entity.**

Provide information on at least the following, indicating their main characteristics:

#### **F.1.1 Which bodies and/or functions are responsible for (i) the existence and maintenance of an adequate and effective Internal Control over Financial Reporting framework; (ii) its implementation; and (iii) its oversight.**

The Board of Directors is the body responsible, among other aspects, for the ongoing updates and improvements made to the company's corporate governance system, within the legislative framework and the most recognized recommendations on good corporate governance, while using its powers to adopt the necessary or appropriate resolutions or to propose them to the General Meeting. These functions include the responsibility for the existence and to maintain the Internal Control over Financial Reporting (ICFR) System.

The Audit and Compliance Committee is the body responsible for supervising the ICFR effectiveness of the company, Internal Audit, and the risk management process, as well as discussing with the external auditor any significant weaknesses in the internal control system detected during the audit.

The Audit and Compliance Committee relies on the Compliance Department to carry out these functions, which is responsible for the implementation of the ICFR and, in general, for the entire internal control system at CIE Automotive and ensuring that the Internal control procedures that must be implemented in the company's operations are defined and designed, as well as compliance with legal regulations, internal policies and established procedures.

#### **F.1.2 If there are any of following structures or elements, especially those relating to the financial reporting preparation process:**

Departments and/or mechanisms to ensure: (i) the design and review of the organizational structure; (ii) a clear definition of the lines of responsibility and powers, with an adequate distribution of tasks and functions; and (iii) there are sufficient procedures for a proper dissemination within the entity:

The Board of Directors is the body responsible for defining and periodically reviewing the CIE Automotive's organizational structure at the highest level and it delegates the responsibility of ensuring that dependent structures have sufficient human and material resources to Senior Management.

With regard to the process of preparing financial reports, there is an interrelated global financial department made up of the Controlling and Tax Departments, as well as Treasury and the Finance Department.

Within the CIE Automotive's internal policies and procedures framework, the responsibilities and functions are defined and duly communicated to all those directly carrying out the preparation and review of financial information.

There are internal protocols ensuring that any change made to the preparation of the economic/financial reporting is distributed to the appropriate personnel in a timely manner. Furthermore, there are controls to identify any incident in this regard.

- Code of conduct, approval body, degree of dissemination and instructions, included principles and values (indicating if there are specific notes made to the transaction records or the preparation of the financial reports), body responsible for reviewing non-compliance issues and proposing corrective actions and sanctions:

Currently, CIE Automotive has a Professional Code of Conduct as well as an Internal Code of Conduct for the Securities Markets, where there is a specific section referring to the reliability of financial information and that establishes a set of specific rules for everyone participating in the process of preparing financial reports.

Both documents are published on the corporate website, training is carried out continuously and the documents are distributed to all personnel concerned through the communication channels established for this purpose. For both cases, the Board of Directors is responsible for its definition and its approval.

The Professional Code of Conduct establishes the basic rules and principles to ensure the commitment and transparency of relationships and operations with stakeholders, the maximization and protection of shareholder investments while safeguarding health, safety, and the environment. Also, it defines the need to control payments and any situation arising where there is a conflict of interest with employed staff.

The ESG (Environmental, Social and Good Governance) Committee has the function of, among others, the monitoring of compliance with these Professional Codes of Conduct and Internal Rules of Conduct in the Securities Market Setting.

- Whistle-Blowing Channel, communicating to the audit committee on financial and accounting irregularities, including any possible breach of the code of conduct and irregular activities within the organization, while stating, where appropriate, whether it is confidential in nature, and whether it allows for anonymous reporting that respects the rights of whistleblowers and the accused:

CIE Automotive has an ethics channel whose purpose is to receive reports and/or complaints related to irregular conduct or activities stemming from a breach of the principles and ethical standards of the Professional Code of Conduct as well as an Internal Code of Conduct for the Securities Markets.

The ethical channel operating process is strengthened with a regulation that ensures that complaints can be made anonymously, ensuring the confidentiality of the complainant at all times if it is requested, as well as respecting the rights of the complainant and of the accused.

CIE Automotive has an action protocol to review received complaints and notify the ESG Committee (Environmental, Social and Good Governance Committee) for their monitoring.

- Training programs and periodic upskilling for staff involved in the preparation and review of financial information, as well as for the ICFR review, covering at least accounting standards, auditing, internal control, and risk management:

Apart from having various training programs for its staff, CIE Automotive has the following additional training and support for staff involved in the preparation and review of financial information and in the ICFR review:

- There is an Accounting Policies Manual that is updated continuously.
- There is an ICFR Policy.
- There is a Controlling and Tax Department, responsible for resolving any interpretative issues regarding the Accounting Policies Manual, as well as advising on the treatment of any complex transaction.
- Involvement of divisional/regional controllers in supporting all members of the financial function at all plants and companies, through continuous internal training and assessment.
- If new companies are incorporated into the Group, support strategies are developed to train new employees in accordance with CIE Automotive's regulations and criteria.
- External advisers involved in updates on accounting, legal and tax matters that may affect the company.

## **F.2. Financial information risk assessment.**

Provide information on at least the following:

### **F.2.1 What are the main characteristics of the risk identification process, including those of error or fraud, in terms of:**

- Whether the process exists and if it is documented:

CIE Automotive's global corporate risk management process is based on the ISO 31000 methodology and has a five-step continuous cycle:

1. Identify key risks, including error and fraud risks, which may affect the achievement of the organization's objectives, including all the control objectives for financial information, including tax risk.
2. Assess these based on their probability of occurring and their impact on the organization, always taking into account the existing controls. This ranking is used to place each risk on the Risk Map, being the main risk assessment tool.
3. Determine the response for each one. Follow up on all agreed actions.
4. Report the outcome following the analysis.

Senior Management and the Management Team are responsible for the risk identification and assessment process, who conduct a self-assessment on the identified risks together with the Compliance Department acting as coordinator of the process.

The result is a Risk Map, as well as a list of actions that need to be carried out to ensure a proper risk management.

This is supplemented through actions that monitor the management of certain risks, which are carried out by the Compliance Department.

- Whether the process covers all of the financial information objectives (existence and occurrence; integrity; valuation; presentation, breakdown, and comparability; and rights and obligations) and if it is updated and how often:

Based on what is indicated in the procedure, during the risk identification and analysis, all aspects of financial information are treated that may have a material impact on its reliability.

At least once a year the Risk Map is updated. However, if during the year circumstances become apparent that require specific actions to manage a potential risk, the appropriate measures will be taken.

- If there is a process to determine the perimeter of consolidation, taking into account, among other aspects, the possible existence of complex corporate structures or special purpose vehicles:

All processes, Group companies and their various structures, the specificities of each country and business lines are taken into account during the process of identifying and assessing risks and special attention is paid to the risks derived from transactions that require specialized management due to their expected complexity or relevance.

- Whether the process takes into account the impact of other types of risks (operational, technological, financial, legal, tax, reputational, environmental, etc. ) to the extent they affect the financial statements:

As already mentioned, the model is based on the ISO 31000 methodology and since it is based on the organization's objectives it translates into a Risk Map that is updated at least once a year, ensuring all significant risks - strategic, operational, financial, including tax and non-financial risks, ESG (Environmental, Social and Good Governance) and Compliance - are prevented, identified, assessed, and subjected to continuous monitoring.

- The governing body of the entity overseeing the process:

This entire process is reviewed and validated by the Audit and Compliance Committee, which must ultimately determine whether the process of identification, assessment and monitoring of the company's risks and, specifically, the measures used to identify material risks affecting financial information, is appropriate and sufficient.

### **F.3. Control activities.**

Provide available information on at least the following, indicating the main characteristics:

- F.3.1 Procedures for the review and approval of financial information and a description of the ICFR, to be published in the securities markets, indicating the ICFR officers and managers, as well as descriptive documentation of the activity and control flows (including those for fraud risk) of the various types of transactions that could have a material impact on the financial statements, including the closing of accounts procedure and the specific review of relevant opinions, estimates, valuations and projections

The Board of Directors is the ultimate body responsible for approving and overseeing the financial statements of the company.

CIE Automotive publishes financial information for the securities market every quarter. This information is prepared by the Controlling and Tax department, which carries out a series of control activities during the closing of accounts to ensure the reliability of the financial information.

Apart from the closing of accounts procedure and before the financial information preparation and reviewing process, CIE Automotive has control procedures and activities in other key areas of the company in order to ensure the proper recording, valuation, presentation, and breakdown of transactions, as well as to prevent and detect fraudulent activities, and consequently treat any transactions that may have a material impact on the company's financial statements.

The following are the company's key processes, including the closing of accounts, which have defined risk and control matrices:

- Closing of accounts, consolidation, and reporting.
- Property, plant, machinery.
- Inventories.
- Income/Customers.
- Cash.
- Provisions.
- Procurements/Accounts Payable
- Human Resources.
- Taxes
- Information systems.

The financial statements are prepared in accordance with the reporting schedule and delivery dates, which are known to all those involved in this process and takes into account the legal deadlines for their presentation.

On the other hand, and for the review of opinions, estimates, valuations and projections, the Accounting Policies Manual determines the application criteria used at CIE Automotive.

The Board of Directors reviews relevant transactions through a procedure consisting of a set of actions (review, approval and oversight of the Strategic Plan and Budget, as well as reviewing the most significant accounting estimates and opinions used for the preparation of financial information) after the Audit and Compliance Committee has first validated that the information is adequate.

**F.3.2 Internal control policies and procedures relating to information systems (including but not limited to access security, change control, operation, business continuity and functional divisions) that support the entity's key processes in its preparation and publication of financial information.**

CIE Automotive has internal control policies and procedures for its information systems that support the entity's key processes, including the process for the preparing and reviewing its financial information. This policy and the associated regulatory framework is based on the ISO 27000 series.

CIE Automotive uses information systems to keep adequate records and control over its operations and, accordingly, is highly dependent on its proper operation.

As part of the process for identifying the risks of error in financial information, CIE Automotive has identified the relevant systems and applications for each of the key areas or processes. These identified systems and applications include those directly used in the preparation of financial information, as well as those that are relevant for the effectiveness of the controls mitigating the risk of errors.

CIE Automotive has system security policies established at a corporate level that are to achieve the defined overall security objectives.

The objective is to adopt the pertinent organizational, technical, and documentary measures required to ensure the desired level of security. In this regard, work is carried out in the following areas:

- User access and management control.
- Change management.
- Backup and recovery.
- Physical security.
- Subcontractor control.
- Provision of resources, elimination of risks and business maintenance.

The essential business processes for CIE Automotive have different organizational and technological solutions ensuring business continuity.

**F.3.3 Internal control policies and procedures in place to manage outsourced third-party activities and the evaluation, calculation and valuation processes entrusted to independent experts, which may have a material impact on the financial statements.**

As a general note, CIE Automotive does not outsource any activity considered relevant that could have a significant impact on the financial information.

However, the company has a management procedure in place for the activities outsourced to third parties, whose objective is to define the controls required for these outsourced activities that have a relevant impact on the financial information prepared by the company.

Based on the analysis, it has been considered that the only outsourced area in 2022 that could have a possible material impact on the financial information is the Information Systems area. Accordingly, the company has verified that the company providing the service has been certified, demonstrating an adequate control environment, and that these certifications are periodically validated by an external reviewer.

Also, CIE Automotive carries out periodic control activities (included in the risk and control matrices), which help validate the control environment in this area.

In relation to any other actions on relevant transactions requested to independent experts (such as tax advice, relationship with actuarial consultants and management of derivatives), CIE Automotive maintains this responsibility within the company, which requires specific control activities to ensure the reliability of such actions and, also, the Audit and Compliance Committee approves all actions of the company's external financial auditor to ensure its independence.

#### **F.4. Information and communication.**

Provide available information on at least the following, indicating the main characteristics:

- F.4.1 A specific function responsible for defining, keeping the accounting policies updated (accounting policies area or department) and that resolves any doubts or conflicts arising from their interpretation, maintaining a fluid communication with those responsible for operations within the organization, as well as keeping the accounting policy manual updated and disseminating it to the units through which the entity operates.

Management of the accounting policies is the responsibility of the Controlling and Tax Department, which reports directly to the CEO. To carry out this function, the department assumes the following responsibilities:

- Maintenance, updating and dissemination of the Group's Accounting Policies Manual, based on the International Financial Reporting Standards adopted by the European Union.
- Updating and dissemination of any change made to the accounting regulations applicable to all members of the Group's financial function.
- Clarification of any doubts arising (at an individual or consolidated level) in the interpretation of the accounting regulations applicable at any given time.
- Mechanisms for capturing and preparing economic-financial information that is homogeneous in nature.

- F.4.2 Mechanisms for capturing and preparing financial information with homogeneous formats, which is applied and used by all units of the entity or group, which support the main financial statements and notes, as well as the information detailed in the ICFR.

CIE Automotive has a specific system for the reporting and consolidation of financial and management information used in all the Group's units and it facilitates the regular reporting of the information in a homogeneous way. This system, which is based on the SAP BPC tool, is also used for the aggregation and consolidation of the reported data.

Also, to ensure the reliability of the ICFR information, CIE Automotive has implemented the internal control tool SAP GRC in all the Group's units.

#### **F.5. Oversight of the functioning of the system**

Provide information on at least the following, indicating the main characteristics:

- F.5.1 The ICFR monitoring activities carried out by the audit committee, as well as whether the entity has an internal audit function entrusted with the task of supporting the committee in its monitoring of the internal control system, including the ICFR. Also, provide information on the scope of the ICFR review during the year and the procedure communicated by the manager in charge for evaluating its results, whether the entity has an action plan that details the possible corrective measures, and if any impact on financial information has been taken into consideration.



The Audit and Compliance Committee has the following ICFR oversight responsibilities:

- Oversight of the periodic financial and non-financial information.
- Oversight and assessment of the functioning of the ICFR.
- Be aware of the financial information reporting process and the internal control systems associated with the relevant risks of the Company.
- Regularly review the systems for internal control, risk management and financial and non-financial information management, ensuring that any major risks are adequately identified, managed, and reported.

CIE Automotive has an Internal Audit Department that reports to the Audit and Compliance Committee, which coordinates the Internal Audit teams in Europe (whose scope includes Russia and Morocco), North America, Brazil and Asia, whose staff members are exclusively dedicated to these functions.

The main function of the Internal Audit department is to oversee the internal control system, which includes aspects such as the monitoring of the correct implementation of the risk management system, including the risk of fraud, and reliability oriented controls over financial and non-financial information.

Each year and based on the results of the risk assessment, the Internal Audit Department prepares the annual plan, which is submitted each period for the approval of the Audit and Compliance Committee being responsible for the monitoring the ICFR.

The ICFR information announced to the market or interest groups is done on a yearly basis and refers to the corresponding year of the financial report.

**F.5.2** If there is an audit discussion procedure allowing the external auditor (in accordance with the Spanish Technical Auditing Standards), the internal audit function and other experts to communicate any significant internal control weaknesses identified during the review processes of the financial statements or those others that have been entrusted to them to senior management and the audit committee or the board of directors of the entity. Also, detail whether there is an action plan that addresses or mitigates the identified weaknesses.

The auditor actively participates at the Audit and Compliance Committee meetings. Also, each year the auditor issues a report on internal control weaknesses, which is presented to this Committee for the adoption of any measures that are considered appropriate.

Also, CIE Automotive has a procedure enabling any external expert that has detected an internal control weakness while carrying out a tasks can, through the Compliance Department, communicate these detected incidents to the Audit and Compliance Committee so they can be raised for their discussion, analysis, and evaluation.

## **F.6. Other relevant information.**

There is no relevant information worth noting regarding the ICFR implemented in the Group that has not been presented in the above sections of this heading.

## **F.7. External Auditor's report.**

Provide information on:

**F.7.1** Whether the ICFR information announced to the market has been reviewed by the external auditor, in which case the entity must attach the corresponding report. If not, an explanation must be given.

CIE Automotive has submitted the effectiveness of the ICFR to an External Auditor to review the financial information presented in the consolidated financial statements dated December 31 2022.

A copy of the report with the External Auditor's opinion is attached.

**G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors, and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Complies  Explain

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies  Complies partially  Explain  Not applicable

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written Annual Corporate Governance Report, the chairman of the Board should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- a) Changes that have occurred since the last General Shareholders' Meeting.
- b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies  Complies partially  Explain

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through any channels it considers appropriate (communication media, social networks or other channels) that helps to maximize the dissemination and quality of information available to the market, investors and other stakeholders.

Complies  Complies partially

Explain

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies

Complies partially

Explain

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

- a) Report on the auditor's independence
- b) Reports on the workings of the Audit and Appointments and Remuneration committees.
- c) Report by the Audit Committee on related party transactions.

Complies  Complies partially

Explain

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by remote means.

Complies  Complies partially

Explain

8. That the Audit Committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the Audit Committee should clearly explain to the General Meeting the opinion of the Audit Committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies  Complies partially

Explain

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies  Complies partially

Explain

10. That when a duly authenticated shareholder has exercised their right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

- a) Should immediately distribute such complementary points and new proposals for resolutions.
- b) Should publish the attendance, proxy, and remote voting card specimen with the necessary changes so that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.
- c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies  Complies partially

Explain  Not applicable

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies  Complies partially

Explain  Not applicable

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximizing the business economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies  Complies partially

Explain

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies

Explain

14. That the Board of Directors should approve a policy aimed at favoring an appropriate composition of the Board and that:

a) Is concrete and verifiable.

b) ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

c) favors diversity of knowledge, experience, age, and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favor gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the Appointments Committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The Appointments Committee will annually verify compliance with this policy and explain its findings in the Annual Corporate Governance Report.

Complies [ X ]

Complies partially [ ]

Explain [ ]

15. That directors representing substantial shareholders and independent directors should constitute a substantial majority of the Board and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board before the end of 2022 and thereafter, and no less than 30% prior to that date.

Complies [ ] Complies partially [ ]

Explain [ X ]

Currently the number of female directors represents 35.71% of Board members, and therefore does not reach the recommended level of 40%. The Company has appointed another female director in 2022, however, and aims to encourage the participation of women in the event of a vacancy. It should also be noted that the Company's three independent directors are women.

16. That the number of directors representing substantial shareholders as a percentage of the total number of non-executive directors should not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.
- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies [ ]

Explain [ X ]

In keeping with paragraph (b) of the recommendation, the company has a plurality of significant shareholders represented on the Board of Directors with no ties among them.

Any possible over-representation of directors representing substantial shareholders that could be identified is mitigated by the composition of the Board, with a diversity of shareholders represented who have a plurality of potential interests.

For this reason, the company believes that the balance that emerges from the recommendation is sufficiently attenuated by the plurality of interests of the major shareholders who are represented by directors representing substantial shareholders with different profiles, knowledge, and experience.

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalization or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies [  ]      Explain [  ]

Although the company is highly capitalized, it considers that the number of independent directors correctly reflects the company's current shareholding composition.

In particular in this regard, the company considers that these proportions of each category are adequate for the configuration of the Board given the composition of its shareholders and, therefore, for the time being it is not necessary to appoint more independent directors. The company believes that the number of external directors allows the decision-making process of the Board to have the levels of quality, objectivity, and independence necessary for the correct formation of the corporate will. Notwithstanding this, in subsequent appointments that may be proposed from the Board of Directors to the General Meeting, the incorporation of independent directors will be encouraged.

18. That companies should publish the following information on its directors on their website, and keep it up to date:

- a) Professional profile and biography.
- b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) Date of their first appointment as a company director, and any subsequent re-elections.
- e) Company shares and share options that they own.

Complies [  ]      Complies partially [  ]      Explain [  ]

Although there is no specific section on the website that groups the information contained in the recommendation, all the content of the information on the directors referred to in this recommendation is contained in the Annual Corporate Governance Report (available at any time on the website) and in the section of the website reserved for the Board of Directors; with which the company understands that the recommendation is partially complied with.

19. That the Annual Corporate Governance Report, after verification by the Appointments Committee, should explain the reasons for the appointment of any Director representing substantial shareholders at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honored, when their shareholding was equal to or exceeded that of other shareholders whose proposal for Director representing substantial shareholders was honored.

Complies [  ]      Complies partially [  ]      Explain [  ]      Not applicable [  ]

20. That Director representing substantial shareholders representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of Director representing substantial shareholders.

Complies [  ]      Complies partially [  ]      Explain [  ]      Not applicable [  ]

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the Appointments Committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with their ability to dedicate the time necessary for attention to the duties inherent to their post as a director, fails to complete the tasks inherent to their post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies [  ]      Explain [  ]

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that they be dismissed. And that these events must be reported in the Annual Corporate Governance Report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies [  ]      Complies partially [  ]      Explain [  ]



Article 26. 2 (d) of the Board Regulations establishes the following as a case for resignation: When they [the directors] are incurred in an allegedly illegal event or are subject to a disciplinary proceeding for serious or very serious misconduct pursued by supervisory authorities”.

On the one hand, the company considers that the wording of the recommendation regarding the general nature of situations "which may harm the standing and reputation" of the company is too broad and vague to be a cause, among other things, for resignation. The company also considers that the wording of article 26. 2 (d) of the Board Regulations covers most of the cases in which the company's standing or reputation may be affected -in abstract- by the actions of a director, either within their scope of action with respect to the company or beyond that scope.

Furthermore, the company considers that the procedural investigative phase is a merely a preliminary stage in a criminal investigation, for which reason it has chosen to maintain the reference to the pursuit of the misconduct as a cause for resignation. However, it should be noted that company has chosen to go beyond the scope of the criminal jurisdiction to which the recommendation refers and, in that sense, it has reinforced the causes of resignation by introducing a reference to the existence of administrative disciplinary proceedings.

As for the rest of the recommendation, none of the situations mentioned have occurred yet.

Likewise, it is worth noting that the company approved a Compliance and Criminal Risk Prevention Policy and in July 2021.

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board, even they are a director.

It should also be stressed that the company approved a criminal risk prevention compliance policy in July 2021.

Complies [  ]      Complies partially [  ]      Explain [  ]      Not applicable [  ]

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of their term of office, the director should explain the reasons for their decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board.

And that, without prejudice to all this being reported in the Annual Corporate Governance Report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies [  ]      Complies partially [  ]      Explain [  ]      Not applicable [  ]

25. That the Appointments Committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies [ ]

Complies partially [ ]

Explain [ X ]

The Company's Board Of Directors has a balanced composition in terms of the typology of its directors. Those directors who perform duties as directors in other companies have shown that those duties do not prevent them from sufficiently dedicating themselves to their duties as directors in the company.

In addition to the above, the Appointments and Remuneration Committee, when appointing an independent director or when requesting information regarding any other type of director proposed, assesses, among other matters, the candidate's capacity of dedication to the company.

Therefore, the company understands that it is not necessary to include this limitation in the Board Regulations.

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies [ X ]

Complies partially [ ]

Explain [ ]

27. That director absences occur only when absolutely necessary and be quantified in the Annual Corporate Governance Report. And when absences do occur, that the director appoint a proxy with instructions.

Complies [ ]

Complies partially [ ]

Explain [ X ]

Directors' absences are quantified in the Annual Corporate Governance Report. It should be noted that in most cases, the absent directors delegate their representation to other directors, although they do not appoint proxies with specific instructions, leaving voting decisions to the discretion of the proxy director.

Although this practice does not comply with the recommendation, in all the sessions in which this circumstance has occurred the number of absences (although represented without instructions) has not been significant, the absent directors having been duly represented through their appointed proxies.

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, these concerns should be included in the minutes at the request of the director expressing them.

Complies [ ]

Complies partially [ ]

Explain [ ]

Not applicable [ X ]

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies [ X ]

Complies partially [ ]

Explain [ ]

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies [ X ]

Explain [ ]

Not applicable [ ]

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information beforehand.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors will be necessary, and that consent will be duly recorded in the minutes.

Complies [ X ]

Complies partially [ ]

Explain [ ]

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies [ X ]

Complies partially [ ]

Explain [ ]

33. That the chairman, as the person responsible for the efficient workings of the Board, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organize and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, is responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies [ X ]

Complies partially [ ]

Explain [ ]

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon them the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies [ X ]

Complies partially [ ]

Explain [ ]

Not applicable [ ]

35. That the secretary of the Board should pay special attention to ensure that the activities and decisions of the Board take into account any recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies [ X ]

Explain [ ]

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the Board' work.
- b) The workings and composition of its committees.
- c) Diversity in the composition and skills of the Board.
- d) Performance of the chairman of the Board and of the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the Appointments Committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence must be verified by the Appointments Committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the Annual Corporate Governance Report.

The process and the areas evaluated must be described in the Annual Corporate Governance Report.

Complies [ X ]

Complies partially [ ]

Explain [ ]

37. That if there is an Executive Committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies [ ]

Complies partially [ ]

Explain [ ]

Not applicable [ X ]

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the Executive Committee and that all members of the Board receive a copy of the minutes of the Executive Committee's meetings.

Complies [  ]      Complies partially [  ]      Explain [  ]      Not applicable [  ]

39. That the members of the Audit Committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies [  ]      Complies partially [  ]      Explain [  ]

40. That under the supervision of the Audit Committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the Audit Committee.

Complies [  ]      Complies partially [  ]      Explain [  ]

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the Audit Committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies [  ]      Complies partially [  ]      Explain [  ]      Not applicable [  ]

42. That in addition to applicable law, the Audit Committee is responsible for the following:

1. With regard to information systems and internal control:
  - a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group –including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption– reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
  - b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection,

appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

- c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors, or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
- d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. In relation to the external auditor:

- a) In the event of the resignation of the external auditors, to examine the circumstances that gave rise to the resignation.
- b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents of those differences.
- d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies [  ]

Complies partially [  ]

Explain [  ]

Despite the fact that some of the above functions are not expressly attributed to the committees by the corporate bylaws, they have been performing those tasks de facto, especially those that are expressly imposed by sections 529 quaterdecies and 529 quidecies of the Spanish Companies Act [Ley de Sociedades de Capital] (which are, therefore, directly applicable).

The Regulations of the Company's Audit Committee expressly include the following functions (referring to the matters included in Recommendation 42) that account for, at least partially and certainly not literally, the ensemble of recommendations indicated, for the preparation of information and internal control systems as well as in relation to the external auditor:

"(...)

- a) Ensure that internal control policies and systems are effectively implemented and in practice.
- b) Analyze, together with the auditors, any major weaknesses of the internal control system detected during the audit.
- c) Supervise the process for preparing and reporting regulated financial and non-financial information.
- d) Propose to the Board of Directors, for submission to the General Shareholders Meeting, the appointment, re-election, or replacement of the auditors, as well as the terms of their engagement, in accordance with the applicable regulations, and to regularly receive information about the audit plan and its execution from the auditors, as well as preserving their independence in the exercise of their functions.
- e) Supervise the activity of the Compliance and Internal Audit units, which will functionally report to the Audit and Compliance Committee and ensure their independence.
- f) Propose the selection, appointment, and dismissal of the heads of Compliance and Internal Audit units; propose the budget for these areas; approve the orientation and annual work plan, ensuring that their activity is mainly focused on relevant risks; receive periodic information on their activities; and verify that senior management takes into account the conclusions and recommendations of their reports.
- g) Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter that may compromise their independence, to be examined by the Audit Committee, and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in legislation regarding auditing accounts and auditing standards.
- h) In any event, the Audit Committee should annually receive from the external auditor written confirmation of the latter's independence versus the Company or institutions directly or indirectly related to the Company, as well as information on additional services of any kind provided by the aforementioned auditor or by related persons or institutions and the fees received from those entities, in accordance with the regulations governing the auditing of accounts.
- i) Annually issue, prior to the issuance of the audit report, a report in which it expresses an opinion on the independence of the auditor. This report must contain, in any case, a summary of the additional services provided as referred to in the above paragraph, in the terms established by law.

"(...)"

43. That the Audit Committee be able to require the presence of any employee or manager of the company, even stipulating that they appear without the presence of any other member of management.

Complies [ X ]

Complies partially [ ]

Explain [ ]

44. That the Audit Committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, the proposed exchange ratio.

Complies [ ]

Complies partially [ ]

Explain [ ]

Not applicable [ X ]

45. That the risk management and control policy identify or determine, as a minimum:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political, and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks, contingent liabilities, and other off-balance sheet risks.
- b) A risk control and management model based on different levels, which will include a specialized Risk Committee when sector regulations so require or the company considers it to be appropriate.
- c) The level of risk that the company considers to be acceptable.
- d) Measures in place to mitigate the impact of the risks identified should they materialize.
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies [ X ]

Complies partially [ ]

Explain [ ]

46. That under the direct supervision of the Audit Committee or, if applicable, of a specialized committee of the Board, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage, and quantify all material risks affecting the company.
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies [ X ]

Complies partially [ ]

Explain [ ]

47. That in designating the members of the Appointments and Remuneration Committee –or of the Appointments Committee and the Remuneration Committee if they are separate– care be taken to ensure that they have the knowledge, skills and experience appropriate to the functions that they are called upon to perform and that the majority of the members are independent directors.

Complies [ X ]

Complies partially [ ]

Explain [ ]



48. That large-cap companies have separate appointments and remuneration committees.

Complies [  ]

Explain [  ]

Not applicable [  ]

As the company understands, this will not be necessary, either now or in the foreseeable future, given that the activity carried out by the committee in recent times –and currently– has not been affected by the mere fact that the company's shares are now considered for the calculation of a stock index (nor for any other reasons).

In any case, the company takes the content of this recommendation into account in the context of its constant efforts to improve the corporate governance system and, therefore, will periodically evaluate the advisability of proceeding with splitting these committees, not only from the perspective of the Company's capitalization, but also from the perspective of the circumstances inherent in the activities of the Appointments and Remuneration Committee and criteria of rationality and organizational and functional efficiency.

49. That the Appointments Committee consult with the chairman of the Board and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the Appointments Committee to consider potential candidates that they consider suitable to fill a vacancy on the Board of Directors.

Complies [  ]

Complies partially [  ]

Explain [  ]

50. That the Remuneration Committee exercise its functions independently and that, in addition to the functions assigned to it by law, it is responsible for the following:

- a) Proposing the basic conditions of employment for senior management to the Board of Directors.
- b) Verifying compliance with the company's remuneration policy.
- c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
- d) Ensuring that potential conflicts of interest do not undermine the independence of external advice given to the committee.
- e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies [  ]

Complies partially [  ]

Explain [  ]

The Regulations of the Company's Appointments and Remuneration Committee expressly include the following functions (referring to the matters set forth in Recommendation 50), which reflect, at least partially and certainly not literally, the ensemble of recommendations mentioned above:

- "a) Propose the remuneration policies of the directors and senior executives to the Board of Directors and review them periodically, proposing, where appropriate, their amendments and updates to the Board of Directors. (Recommendation 50 a) and c))
- k) Inform and submit to the Board of Directors the proposals of the Company's Chief Executive on the structure of remuneration of senior managers and the basic terms of their contracts (Recommendation 50 a)).
- l) Oversee compliance with the Company's remuneration programs and inform the documents approved by the Board of Directors for general disclosure in relation to information on remuneration, including the Annual Report on Remuneration of Directors and the corresponding sections of the Company's Annual Corporate Governance Report. (Recommendation 50 b) and e))".

With regard to section d) of this recommendation, Article 9. 2 of the Regulations of the Appointments and Remuneration Committee establishes the possibility of the Committee seeking external advice in the performance of its duties. In this sense, and regardless of whether or not it is expressly provided for by the Appointments and Remuneration Committee –in practice and as an intrinsic and inseparable part of the debate on the possible appointment of any external advisor– the Committee evaluates the existence of current or potential conflicts of interest. This evaluation may result in the introduction of the necessary precautions in rendering of the external advisor's services, or even cause the external advisor in question not to be appointed. For all these reasons, the Company does not consider it necessary to literally include the contents of section d) of Recommendation 50 in the Regulations of the Appointments and Remuneration Committee.

51. That the Remuneration Committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies [ X ]

Complies partially [ ]

Explain [ ]

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the Board Regulations and that they should be consistent with those applying to legally mandatory committees in line with the above recommendations, including:

- a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
- b) That they be chaired by independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board held after each committee meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and their minutes be made available to all directors.

Complies [ X ]

Complies partially [ ]

Explain [ ]

Not applicable [ ]

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board, which may be the Audit Committee, the Appointments Committee, a specialized committee on sustainability or corporate social responsibility or any other specialized committee that the Board of Directors, in the exercise of its powers of self-organization, may have decided to create. And that this committee be composed

exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned that committee.

Complies [ X ]      Complies partially [ ]      Explain [ ]

54. The minimum functions referred to in the above recommendation are the following:

- a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
- c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the social interest and take the legitimate interests of other stakeholders into account, as appropriate.
- d) Supervision of the company's environmental and social practices to ensure that they are in line with the established strategy and policy.
- e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies [ X ]      Complies partially [ ]      Explain [ ]

The company understands that all of the above minimum functions are attributed to the ESG Committee (according to its functions as indicated in Article 3 of the Regulations of the ESG Committee), although the recommendation and the text of Article 3 of the Regulations of the ESG Committee are not identically worded.

55. That environmental and social sustainability policies identify and include at least the following:

- a) The principles, commitments, objectives, and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.
- b) Means or systems for monitoring compliance with these policies, their associated risks, and their management.
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
- d) Channels of communication, participation, and dialogue with stakeholders.
- e) Responsible communication practices that impede the manipulation of data and protect integrity and reputation.

Complies [ X ]      Complies partially [ ]      Explain [ ]

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies [ X ]      Explain [ ]

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options, or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other mutual benefit systems.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The above will not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies [ X ]      Complies partially [ ]      Explain [ ]

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that this remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that these criteria take into account the risk incurred to achieve a given result.
- b) Promote the company's sustainability and include non-financial criteria that are aimed at creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, ensuring that the elements used to measure performance are not associated only with one-off, occasional, or extraordinary events.

Complies [ ]      Complies partially [ X ]      Explain [ ]      Not applicable [ ]

The CEO receives annual variable remuneration, dependent on the achievement (in a generic sense, since no target levels of achievement are determined) of economic objectives (Net Income, Gross Operating Income [EBITDA]) that can be assessed and evaluated by the Appointments and Remuneration Committee.

The company does not consider it relevant to the intended purpose of the variable remuneration to link it to measurable and direct objective elements linking the remuneration to the Company's performance, beyond a generic element of compliance with the levels (Net Income, Gross Operating Income [EBITDA]) forecast for the year in the annual budget approved by the Board.

As a consequence of the relationship between the company and its CEO and the CEO's commitment, value generation and loyalty shown to the group, the company does not contemplate the need to introduce control or correction mechanisms such as those indicated in sections b and c of the recommendation.

The performance of the executive directors receiving this type of remuneration has traditionally been of high commitment and dedication to the company and the company's performance has been sufficiently satisfactory not to introduce this kind of performance-linked measures.

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies [ ]

Complies partially [ X ]

Explain [ ]

Not applicable [ ]

The company complies with the first part of the recommendation, since the payment of the variable components of the remuneration is effectively linked to the adequate checks listed in the annual report on directors' remuneration.

However, the company is not considering the inclusion of a reduction clause (malus). The company believes that there are other ex post mechanisms that more effectively cover this risk. In this regard, the variable long-term remuneration based on the evolution of the share price to which the CEO is entitled is generated over a ten-year period. Therefore, there is a long-term link that allows checks to be performed on short- or medium-term events that might make it advisable to suspend the accrual of the variable compensation.

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies [ ] Complies partially [ ]

Explain [ X ]

Not applicable [ ]

The CEO's remuneration does not take these circumstances into account, on the understanding that there are other ex post mechanisms that more effectively cover this risk. In addition, it should be noted that the external auditor has not issued any qualifications of the financial statements.

In the event that these existed, it would be necessary to understand the circumstances in which they arose, and therefore, the consequences of this fact would be subject to assessment by the board of directors at all times.

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial

instruments referenced to the share price.

Complies       Complies partially       Explain       Not applicable

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of their fixed annual remuneration through the ownership of shares, options, or other financial instruments.

The above will not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favorable assessment by the Appointment and Remuneration Committee, to deal with such extraordinary situations as may arise and so require.

Complies       Complies partially       Explain       Not applicable

The CEO's long-term variable compensation is instrumented through rights (referred to in the compensation plan as "units") that the company understands do not fall into the category of shares, options, or financial instruments. In any case, these units may not be transferred and may not be exercised before three years have elapsed.

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies       Complies partially       Explain       Not applicable

The company does not comply with the recommendation in the proposed terms.

The rationale for this is as follows: the remuneration to which executive directors are entitled is not linked to performance or equivalent objective parameters: it is the Board of Directors that determines autonomously and at its discretion the amounts to be paid as variable remuneration (except for the CEO, whose variable remuneration does indeed depend on objective criteria, albeit not quantified).

For this reason, to the extent that they are not taken into account when granting variable remuneration, mechanisms cannot be established up that imply a reimbursement linked to a subsequent demonstration of unfulfilled performance.

64. That payments for contract termination should not exceed an amount equivalent to two years' total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies [  ]

Complies partially [  ]

Explain [  ]

Not applicable [  ]

The CEO's contract with the company contains a clause providing for an early termination indemnification that does not strictly comply with the second part of the first paragraph of the recommendation. Thus, in accordance with the directors' remuneration policy available on the company's website:

"h) Indemnification clauses: The CEO will be entitled to receive all of their variable long-term remuneration and the total amount of their continuance and non-compete compensation in the event that the General Meeting and the Board of Directors decide not to keep the CEO in office for any reason in the period of ten (10) years from January 1, 2018. In addition to the above, the CEO may be entitled to receive an additional amount (at most, equivalent to two years of their fixed and short-term variable remuneration) to be included, where appropriate, in their contract."

## H. FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but should be included in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In this case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of July 20, 2010.

On October 15, 2015, the company adhered to the Global Compact, an international initiative promoting the implementation of 10 universally accepted principles to bolster Corporate Social Responsibility (CSR) in the areas of Human Rights and business, labor standards, the environment, and the fight against corruption in the activities and strategies of businesses.

[from section E.6 onwards]

In recent years commercial targets have been set in the expectation that the market and its customers will increase in volume, while we capture new key market players in mobility.

One of the pillars of the 2025 strategic plan is the commitment to the comfort area, reinforced by trends that highlight the growing importance given by users to the features associated with these functions when it comes to making the decision to buy. The company will seize this growth opportunity as it does the other areas where the type of propulsion has no influence.

CIE Automotive has been working for some time now on generating knowledge and training and educating its employees in the new skills required by the digitalization of the sector and our plants. It also works closely with technological entities and training centers and universities to create, identify and attract talent in these areas.

It is worth highlighting the boost being given by the company to the training area within the Advanced Manufacturing Steering Group led by the Basque Government.

The move towards a more decarbonized economy will highlight the efforts that companies such as CIE Automotive have been making for years in the introduction of eco-design concepts from early stages of development and the search for circularity in all the company's processes.

What does seem clear is that, in the medium term, automotive companies can emerge stronger from the crisis if they are able to adapt to the new scenario, which is likely to be characterized by the following factors, on which CIE Automotive is already working:

- Reduction of overcapacity in the sector.
- Concentration processes: fewer players, but larger, more diversified and more resilient to future crises.
- Strategic collaborations that allow streamlining of investments to adapt to the transformations of the sector.
- Greater control and financial discipline of companies.
- Eco-science and circularity.
- Commitment to environmental impact mitigation.

Whole supply chain is being involved throughout this process, with the detection of opportunities to work with customers and the conveying of those needs and opportunities to our suppliers. Emphasis is placed on the use of recycled and recyclable materials, as well as the use of green materials requiring a qualified supply chain, as well as validation and approval by the customers themselves. In this area we would highlight the Supply Chain Race to Zero decarbonization project, one of the key actions of CIE Automotive's commitment to zero net emissions by 2050.

Geographical balance and our global presence help to reduce market risks due to the different rates of introduction of changes and trends that occur in each



market and geographic area.

Last, in the short term, the company's focus is on ensuring the availability of raw materials, for which it is strengthening its GLOCAL (Global Management with Local Application) purchasing model combined with multi-localization, in order to be close to manufacturers and not depend on global supply chains.

Geopolitical risk

CIE Automotive operates a decentralized management system to ensure that decisions can be taken quickly in a simple and direct manner. Each geographical zone and each division takes decisions most beneficial to it according to the circumstances of the moment, backed by a Corporate Area and a Service Network with global competence: Europe, North America, Brazil and Asia. Nevertheless, despite this grouping into major geographical areas and divisions (for principal technologies) and their inclusion within the company's strategy, plants have total operating autonomy and are managed by local teams, helping to spread the risk to business continuity of the company as a whole from armed conflicts and the international sanctions derived from them, or any other similar risk.

Cybersecurity:

In 2021 a Cyber consulting project to determine the potential Cyber risks that the group could face at the systems level.

The project consists of three phases:

- Identification of scenarios (completed in 2021).
- Risk quantification (completed in 2022).
- ECOR assessment, which is a consultant's method for calculating impact (to be carried out in 2023).

Once these three phases are finalized in 2023, CIE Automotive will be able to determine the types of actions to be implemented to minimize the risks.

The following work was performed in 2022:

- Definition of risk scenarios
- Probability and impact analysis of risks
- Classic risk analysis
- Advanced quantification using analytics and PowerBI control panel.

Once the risk scenarios were defined on the basis of their probability and impact, a total of 66 cybersecurity controls were evaluated with the assistance of the IT managers of each of the IT groups worldwide, to understand the risks associated with each scenario.

Once information was received from each of the IT managers, a grouping was made of the controls and measures introduced by each of the groups. This enabled an evaluation of the probability of occurrence in each scenario. To analyze the financial impacts a calculation was made that took into account the volume of business of each of the groups.

Tasks to be performed in 2023 include the following:

- Monitoring of cyber risk and updated scoring of the PowerBI quantification.
- Risk analysis to identify plans of action by group, and definition of control baselines.
- Once the action plans have been defined, the values of the advanced quantification will be updated.
- Development of a basic questionnaire on controls to evaluate new acquisitions.

Finally, it must be stressed that to increase knowledge of these risks and awareness within the company, a training program has been initiated at global level that is continuing during the current year.

Sustainable supply chain:

The increased awareness and knowledge of all CIE Automotive personnel in relation to ESG must be viewed as a great opportunity.

It is an opportunity for those managing purchasing and supplies adopting the success of the GLOCAL supply chain management to become further involved in the communication of ESG demands and compliance requirements. The aim is the creation of a sound, flexible and resilient supply chain in line with the SDGs

Risk mitigation measures include:

- Annual renewal of Sustainable Procurement Certification under ISO 20400.
- Continued maintenance of common procedures aligned with the legal requirements of each country and the group's ESG strategy.
- Providing of the organization with an objective monitoring system of ESG qualification of the supply chain via the Supply Portal and KPI for the supply chain ESG.
- Quarterly monitoring of the ESG supply chain KPIs
- Continued internal training for 100% of the purchasing teams.
- Support for the training of ESG suppliers at local level with sessions and specific meetings.
- Promotion of ESG audits worldwide.
- The "Supply Chain Race to Zero" project

People:

On an ongoing basis, the working conditions of our current human team are being improved so that they are attractive for the current team and will help attract new talent to the organization.

Human Resource managers and the managers of the Group's plants around the world periodically evaluate the specific situation of their plant in relation to the risk of talent loss, specifically in the case of critical positions, taking the measures needed to retain key personnel, and where necessary establishing adequate profiles for succession. A common procedure exists for the evaluation of professional performance (the Professional Development Plan - PDP) which among other aspects enables identification of high potential profiles in our plants, with regular monitoring of their development in the Group.

In the recently launched Diversity Diagnoses the group has included the generational diversity as one of the four diversities to be analyzed, with the idea on the one hand of integrating talent from different generations, and on the other to be able to count on regular information on age by category, plant and country to be able to anticipate potential succession requirements at each of our plants at corporate level and from a local perspective.

In addition, as can be seen from the People section of the Annual Report, training hours and flexible work timetables have increased gradually in the group, and both measures have boosted in the group's attraction and retention ability.

Managing inorganic growth:

CIE Automotive is making a major effort to instill its business model and corporate culture among its new members. Some of the most noteworthy actions include:

- Involvement of the management team in corporate M&A transactions.
- Definition and implementation of a clear management model that allows taking control of the new companies quickly.
- Fostering the flexibility and availability of key internal people to address on-boarding.



**ANNUAL CORPORATE GOVERNANCE REPORT  
OF LISTED LIMITED COMPANIES**

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This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on:

[ 2/24/2023 ]

Indicate whether any director voted against or abstained from approving this report.

[ ] Yes

[ v ] No

**CIE Automotive, S.A.**

Auditor's Report on "Information  
regarding the Internal Control System  
over Financial Reporting" (ICSFR)  
for the 2022 financial year



*This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

## Auditor's Report on "Information regarding the Internal Control System over Financial Reporting (ICSFR)" of CIE Automotive, S.A. for the 2022 financial year

To the Board of Directors of CIE Automotive, S.A.:

In accordance with the request of the Board of Directors of CIE Automotive, S.A. ("the Entity") and our engagement letter dated October 28, 2022, we have applied certain procedures in respect of the attached "Information regarding the Internal Control System over Financial Reporting" ("ICSFR"), included in the "Appendix F to the Annual Corporate Governance Report" included by reference in the management report of CIE Automotive, S.A. for 2022 financial year, which includes a summary of the Entity's internal control procedures relating to its annual financial information.

The Board of Directors is responsible for adopting the necessary measures to reasonably ensure the implementation, maintenance and supervision of an appropriate internal control system, and for developing improvements to that system and preparing and establishing the content of the accompanying Information regarding the ICSFR.

In this regard, it should be borne in mind that, regardless of the quality of the design and operating efficiency of the internal control system used by the Entity in relation to its annual financial information, only a reasonable, but not absolute, degree of assurance may be obtained in relation to the objectives it seeks to achieve, due to the limitations inherent in any internal control system.

In the course of our audit work on the consolidated annual accounts and in accordance with Spanish Auditing Standards, the sole purpose of our evaluation of the Entity's internal control system is to enable us to establish the scope, nature and timing of our audit procedures in respect of the Entity's annual accounts. Accordingly, our internal control evaluation, performed for the purposes of our audit, is not sufficient in scope to enable us to issue a specific opinion on the effectiveness of such internal control over the regulated annual financial information.

For the purposes of this report, we have exclusively applied the specific procedures described below, as indicated in the "Guidelines concerning the Auditor's Report on the Information regarding the Internal Control System over Financial Reporting for listed entities" published by the National Securities Market Commission on its web site, which sets out the work to be performed, the minimum scope of such work and the content of this report. In view of the fact that, in any event, the scope of the work resulting from these procedures is reduced and substantially less than the scope of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, its design or operational efficiency, in relation to the Entity's annual financial information for the 2022 financial year described in the accompanying Information regarding the ICSFR. Had we applied additional procedures to those determined by the aforementioned Guidelines, or had we performed an audit or review of the internal control system in relation to the regulated annual financial information, other matters could have come to light in respect of which you would have been informed.



In addition, as this special engagement is not an audit of financial statements and is not subject to the legislation governing the audit practice in Spain, we do not express an audit opinion under the terms of the aforementioned legislation.

The procedures applied were as follows:

1. Reading and understanding the information prepared by the Group in relation to the ICSFR – as disclosed in the Directors' Report – and the evaluation of whether such information includes all the information required as per the minimum content set out in Section F regarding the description of the ICSFR, in the model of the Annual Corporate Governance Report, as established in Circular nº 7/2015 of the National Securities Market Commission dated December 22, 2015.
2. Making enquiries of personnel in charge of preparing the information mentioned in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that enables us to assess whether the terminology used is in line with the framework of reference; (iii) obtain information as to whether the control procedures described have been implemented and are functioning in the entity.
3. Review of supporting documentation explaining the information described in point 1 above and which will mainly comprise the information made directly available to the persons responsible for preparing the information on the ICSFR. Such documentation includes reports prepared by the internal audit function, senior management and other internal and external specialists in their function of support to the audit committee.
4. Comparison of the information described in point 1 above with our knowledge of the entity's ICSFR, obtained by means of the application of the procedures performed within the framework of the audit engagement on the annual accounts.
5. Reading the minutes of meetings of the entity's board of directors and audit committee, for the purposes of evaluating the consistency between the matters dealt with therein in relation to the ICSFR and the information described in point 1 above.
6. Obtaining a representation letter concerning the work performed, duly signed by the persons responsible for the preparation and drafting of the information mentioned in point 1 above.

As a result of the procedures applied in relation to the Information regarding the ICSFR, no inconsistencies or incidents have been identified which could affect such information.

This report has been prepared exclusively within the framework of the requirements of article 540 of the revised Spanish Companies Act and "the Circulars of the NSMC", for the purposes of describing the ICSFR in Annual Corporate Governance Reports.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Jon Toledano Irigoyen

February 24, 2023