



TO THE SPANISH SECURITIES AND EXCHANGE COMMISSION

DISCLOSURE OF OTHER RELEVANT INFORMATION

Following article 17 of Regulation (EU) nº 596/2014 on Market Abuse, articles 227 and 228 of the Royal Legislative Decree Law 4/2015, dated October 23, approving the consolidated text of the Securities Market Law and other applicable legislation, CIE Automotive, S.A. (hereinafter, the "**Company**") makes public that on 13 April 2021, Law 5/2021, of 12 April, was published in the Official Spanish Bulletin (*Boletín Oficial del Estado*), which amends the consolidated text of the Capital Companies Act ("**LSC**"), approved by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, with regard to the encourage of long-term shareholder engagement in listed companies.

This new Law introduces in the Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Capital Companies Act ("**LSC**") a new obligation for listed companies to publish, as from 3 July 2021, all transactions with related parties that individually or in aggregate exceed 5% of total assets or 2.5% of annual turnover according to the latest consolidated annual accounts.

In this regard, the Company, in accordance with article 529 unicies of the LSC, discloses the related-party transactions carried out by CIE Automotive or its subsidiaries (hereinafter, together with CIE Automotive, the "**CIE Automotive Group**") with the shareholder Mahindra & Mahindra (hereinafter, "**M&M**") or its subsidiaries (hereinafter, together with M&M, the "**M&M Group**") as these transactions exceeded, during the year ending 31 December 2021, the threshold of 2.5% of annual turnover.

The M&M Group holds a 7.83% share in the share capital of CIE Automotive and an 11.44% share in Mahindra CIE Automotive Ltd (in which CIE Automotive holds 60.75% of the share capital). The M&M Group has appointed two members to the Board of Directors of CIE Automotive (Shiprakash Shukla and Suman Mishra) and has also appointed two members to the Board of Directors of Mahindra CIE Automotive Ltd (Shiprakash Shulka (Chairman), Zhooben Dossabhoy Bhiwandiwalla).

Consequently, it is concluded that the transactions that the subsidiary Mahindra CIE Automotive Ltd has with the M&M Group are considered to be a related party transaction pursuant to article 529 vicies of the LSC.



CIE Automotive

The M&M Group is a conglomerate of companies with presence in various industrial sectors, in particular in the automotive sector insofar as its automotive division manufactures cars of various kinds.

In this context, certain companies of the M&M Group (i.e. Mahindra & Mahindra Ltd, Mahindra Vehicle Manufacturers Limited, Mahindra Electrical Mobility Ltd, Mahindra Defence Systems Ltd, Mahindra Heavy Engines Private Limited, Mahindra Trucks & Buses Limited, Mahindra Two Wheelers Pvt. Ltd.) acquire goods or services (essentially automotive parts of the various technologies manufactured at Mahindra CIE Automotive's plants in India and Europe) at market prices and through negotiation procedures between the various business heads (individually, on a project-by-project basis; order-by-order basis, as is usual in the automotive component manufacturing business).

The M&M Group also acquires components from Golde Wuhan Co., Ltd. in China in the sector of manufacturing roof assemblies.

On the other hand, the M&M Group sells (i.e. companies such as Mahindra Auto Steel Limited, Mahindra Logistics Limited, Mahindra Intertrade Ltd, or Mahindra Sanyo Special Steels Private Limited) services or goods to companies in the Mahindra CIE Automotive subgroup.

The amounts are as shown in this chart:

Type of service	Aggregate amount for year 2021 (k euros)
Sale of goods to M&M Group from Mahindra CIE Automotive subgroup	130,830
Sale of goods and services to M&M Group from Golde Wuhan	7,396
Purchase of goods and services from Mahindra CIE Automotive subgroup to M&M Group	19,009
Receipt of services from Mahindra CIE Automotive subgroup to M&M Group	1,215

The Audit Committee and the Board of Directors of CIE Automotive on 28 July 2021 (as a result of the entry into force of the aforementioned amendment to the LSC) expressly analysed and discussed the transactions between CIE Automotive Group companies and the M&M Group.

These contractual relationships, as also verified by the Audit Committee, are carried out in the ordinary course of business, at market prices and without the intervention or participation of any of the shareholders or directors potentially conflicted by their interest in



CIE Automotive

them. The typology of these services varies according to the vertical in the organisation that actually provides the corresponding services.

As a result, the Board of Directors approved the related-party transactions between the CIE Automotive Group and the Mahindra & Mahindra Group, with Mr. Sriprakash Shukla and Ms. Suman Mishra abstaining in the deliberation and voting.

As a result of the closing of the 2021 financial year, it has been verified that all transactions between the CIE Group and the M&M Group exceed the reporting threshold of 2.5% of the annual amount of consolidated turnover in that financial year (specifically, 4.8% of the annual amount of turnover as at 31 December 2021).

Accordingly, and without prejudice to the entry into force of the legislative amendment on 3 July 2021, CIE Automotive discloses the aggregate information on transactions for the financial year 2021 for the purposes of article 529 unvicies of the LSC.

Attached hereto is the report issued by the Audit Committee on 28 July 2021 in which it issued a favourable report on the transactions between the CIE Automotive Group and the M&M Group.

Bilbao, February 28, 2022.

Jose Ramón Berecibar Mutiozábal.
Secretary to the Board of Directors.



CIE Automotive

REPORT SUBMITTED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF CIE AUTOMOTIVE, S.A. FOR THE PURPOSES SET FORTH IN ARTICLE 529.UNVICIES OF THE CAPITAL COMPANIES ACT IN REGARD TO THE APPROVAL BY THE BOARD OF DIRECTORS OF A RELATED-PARTY TRANSACTION.

1.- PURPOSE OF THIS REPORT.

Article 529 DUOVICIES of the current Consolidated Text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July ("**Capital Companies Act**") requires, among other requirements, *"the approval by the general meeting or by the board of a related-party transaction shall be subject to a prior report by the audit committee. In its report, the committee shall evaluate whether the transaction is fair and reasonable from the point of view of the company and, where appropriate, of the shareholders other than the related party, and give an account of the assumptions on which the evaluation is based and the methods used. The directors concerned may not participate in the preparation of the report"*.

The purpose of this report is to fulfil the requirements of the aforementioned regulation with regard to the related-party transaction to be considered between the M&M Group companies and the CIE Automotive Group companies.

2.- JUSTIFICATION OF THE PROPOSAL.

The relationship between CIE Automotive or its subsidiaries (hereinafter, together with CIE Automotive, the "**CIE Automotive Group**") and the shareholder Mahindra & Mahindra (hereinafter, "**M&M**") or its subsidiaries (hereinafter, together with M&M, "**M&M Group**") implies the existence of relationships of a commercial nature in the ordinary course of business and arising from the business and industrial logic of the 2013 acquisition of M&M's automotive components manufacturing business by CIE Automotive (and M&M's acquisition of a stake in CIE Automotive).

The M&M Group is a conglomerate of companies with presence in various industrial sectors, in particular in the automotive sector insofar as its automotive division manufactures cars of various kinds.

In this context, certain companies of the M&M Group (i.e. Mahindra & Mahindra Ltd, Mahindra Vehicle Manufacturers Limited, Mahindra Electrical Mobility Ltd, Mahindra Defence Systems Ltd, Mahindra Heavy Engines Private Limited, Mahindra Trucks & Buses Limited, Mahindra Two Wheelers Pvt. Ltd.) acquire goods or services (essentially automotive parts of the various technologies manufactured at Mahindra CIE Automotive's plants in India and Europe) at market prices and through negotiation procedures between the various business heads (on



CIE Automotive

a project-by-project basis; order-by-order basis, as is usual in the automotive component manufacturing business).

The M&M Group also acquires parts from Golde Wuhan Co., Ltd. in China in the sector of manufacturing roof assemblies.

On the other hand, the M&M Group sells (i.e. companies such as Mahindra Auto Steel Limited, Mahindra Logistics Limited, Mahindra Intertrade Ltd, or Mahindra Sanyo Special Steels Private Limited) services or goods to companies in the Mahindra CIE Automotive subgroup.

The commercial relationship for the supply of goods and services is continuous and is structured through commercial relationships that are materialised on a case-by-case basis in which none of the shareholders or directors potentially in conflict due to their interest in the same do not interfere. The typology of these relationships varies according to the vertical in the organisation that actually provides the corresponding services.

In conclusion, no objective elements have been identified that would suggest that the various transactions with the M&M Group are not fair and reasonable from CIE Automotive's point of view.