

REPORT ISSUED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF CIE AUTOMOTIVE, S.A. IN RELATION TO THE ACTIVITIES CARRIED OUT BY IN 2021.

1. PURPOSE OF THIS REPORT

The purpose of this report (the “**Report**”) is to present the activities carried out in 2021 by the Appointments and Remuneration Committee of CIE Automotive, S.A. (the “**Committee**” and the “**Company**”), in such a way that the shareholders of the Company and other interested parties can understand the work performed by the Committee during the year.

2. JUSTIFICATION FOR THE REPORT

This Report is issued in accordance with and for the purposes established by Recommendation 6 of the Good Governance Code of Listed Companies and Section 11 of Technical Guideline 1/2019 on Appointments and Remuneration Committees.

3. RECIPIENTS OF THE REPORT

This report is prepared for the Board of Directors and the General Shareholders Meeting.

4. REGULATIONS GOVERNING THE COMMITTEE

The Committee’s Regulations are established, in general, by the Spanish Companies Act, the Company’s bylaws and the Appointments and Remuneration Committee Regulations, as well as the recommendations set out in the Good Governance Code of Listed Companies, as reported in the Annual Corporate Governance Report.

5. COMPOSITION OF THE COMMITTEE

Annex 1 of the Report presents the composition of the Committee during the year, including the category and seniority of each of its members and identifying those that have ceased to be members during 2021. The information and descriptions of those members and their significant capabilities in terms of knowledge and experience are included in this report through reference to the relevant section of the Company’s website.

In practice, the Board of Directors determines the composition of the Committee based on the requirements set out in the regulations mentioned in Section 5, the content of the guidelines mentioned in Section 10 and, in particular, the experience and professional depth of the candidates, always seeking to achieve a balance combining a diversity of origins and possible contributions, and prior knowledge of the matters that make up the Committee’s functions.

6. MEETINGS HELD

The Committee has held three meetings during the year in order to manage the tasks described in section seven below. The Executive Director Mr. Fermin del Rio Sanz de Acedo, who held the position of Secretary of the Committee, also participated in the meetings.

7. DESCRIPTION OF THE ACTIVITIES CARRIED OUT

The main activities carried out by the Committee during 2019 were as follows:

A) Appointments

a) *Selection of Directors.*

As a consequence of the analysis that the Committee began in 2019 regarding the composition of the Company's Board of Directors, and since the Directors Mr. Carlos Solchaga Catalán and Mr. Ángel Ochoa Crespo would be leaving their positions at the end of 2021, the Committee proceeded to search for candidates for new independent members of the Board of Directors, assessing the incorporation of independent members on the Board as well as the adoption of measures to strengthen the presence of women as they are underrepresented on the Board of Directors. A proposal was made to invite Ms. Elena Orbegozo Laborde and Ms. María Eugenia Girón Dávila to join the Company's Board of Directors.

The Committee issued a favorable report on the appointment by co-option of Ms. Suman Mishra, representing the shareholder Mahindra & Mahindra Group, since the Director Mr.

Vankipuram Parthasaraty submitted his resignation upon abandoning his executive position at that group.

b) *Designation of positions*

The Committee has assessed the proposal from the Chair of the Board of Directors to appoint Mr. Fermin del Rio Sanz de Acedo as Vice Chair of the Board of Directors, evaluating his skill for the position and issuing a favorable report to the Board of Directors to approve that decision.

B) Remuneration

a) *Executive Remuneration Scheme.*

The Committee analyzed the proposal for the executive compensation scheme, discussed it and issued a positive report for subsequent approval by the Board

of Directors. It has also favorably informed the Board of Directors regarding the contractual conditions of certain members of senior management with respect to which decisions have been taken.

b) *Proposal for Directors' annual remuneration for 2021 and 2022.*

The Committee analyzed the proposal for Directors' annual remuneration for 2021 and 2022, discussed it and issued a positive report for the approval of the Board of Directors.

Specifically, the Committee reported on the remuneration of the new independent directors after their appointment by co-option on December 15, 2021, as well as the adjustment of the remuneration for the Chair, the CEO and the Vice Chair of the Board of Directors.

c) *Review of the proposed objectives for annual variable remuneration in 2021 applicable both to the CEO and to the rest of the executives.*

The Committee reviewed the proposed objectives of the annual variable remuneration for 2021 applicable to the CEO.

c) *Periodic information.*

a) *Annual Report on Directors' Remuneration.*

The Committee analyzed the proposal for the Annual Report on Directors' Remuneration, discussed it and issued a positive report on subsequent approval by the Board of Directors.

b) *Annual Corporate Governance Report*

The Committee analyzed the proposal for the Annual Corporate Governance Report (within the scope of its functions), discussed it and issued a positive report on its subsequent approval by the Board of Directors.

D) *Evaluation of the Board*

The Committee has continuously evaluated the Board of Directors, following up on the work entrusted to an external expert last year. The Chair of the Board of Directors has led this continuous assessment and has analyzed the recommendations made by the external expert with the aim of implementing the suggestions and recommendations that are applicable.

8. SCOPE OF THE ASSESSMENT

No specific assessment of all of its activities during the year has been carried out by the Committee, but all of its members are committed to continuous improvement.

9. INFORMATION ON WHICH PRACTICAL GUIDELINES ON ARE BEING FOLLOWED

The Committee follows Technical Guide 1/2019 on Appointments and Remuneration Committees. In addition, the Committee seeks to adapt its decisions and the performance of its activity to best market practices within the scope of its actions and area of responsibilities to the extent possible and advisable taking into account the circumstances affecting the Company.

10. SIGNIFICANT DEVIATIONS WITH RESPECT TO THE PROCEDURES ADOPTED OR IRREGULARITIES THAT HAVE BEEN COMMUNICATED IN WRITING TO THE BOARD IN AREAS FOR WHICH THE COMMITTEE IS RESPONSIBLE.

No such deviations have occurred.

11. CONCLUSIONS

Based on the above, the Committee concludes that an adequate level of activity has been maintained and that it has complied with its obligations during 2021. Without prejudice to the foregoing and its duty to continue complying with its obligations, the Committee maintains the principle of continuous improvement principle and will therefore seek to improve in those areas it deems necessary.

12. DATE OF PREPARATION

This Report was unanimously prepared by the Committee on February 25, 2022.

13. DATE OF PRESENTATION

The Report was presented to the Board of Directors by the Committee on February 25, 2022.

14. PUBLICATION OF THE REPORT

This Report will be made available to the public (particularly to the Company's shareholders at the next General Meeting) through its publication on the Company's website starting of the date of presentation to the Board of Directors.

Bilbao, February 25, 2022.

The Appointments and Remuneration Committee.

ANNEX 1

COMPOSITION OF THE APPOINTMENTS AND REMUNERATION COMMITTEE DURING THE YEAR

Director	Category	Position	Length of Service on the Committee
Members of the Committee between December 31, 2020 and December 15, 2021			
Mr. Carlos Solchaga Catalán	Independent	Chair	Since October 27, 2010, having been appointed Chair on February 22, 2019. He ceased holding his position on December 15, 2021.
Mr. Ángel Ochoa Crespo	Independent	Member	Since Wednesday, February 25, 2015. He ceased holding his position on December 15, 2021.
Mr. Francisco Riberas Mera	Proprietary	Member	Since Wednesday, October 27, 2010.
Members of the Committee between December 31, 2021, after the changes on December 15, 2021			
Ms. Arantza Estefanía Larrañaga	Independent	Chair	She was appointed member and Chair on December 15, 2021.
Ms. Elena Orbegozo Laborde	Independent	Member	She was appointed member of the Committee on December 15, 2021
Ms. María Eugenia Girón Dávila	Independent	Member	She was appointed member of the Committee on December 15, 2021



CIE Automotive

Director	Category	Position	Length of Service on the Committee
Mr. Francisco Riberas Mera	Proprietary	Member	Since Wednesday, October 27, 2010.