



REPORT ISSUED BY THE AUDIT AND COMPLIANCE COMMITTEE OF CIE AUTOMOTIVE, S.A. IN RELATION TO THE ACTIVITIES CARRIED OUT BY SAID COMMITTEE IN 2022.

A. PURPOSE OF THE REPORT

The purpose of this report (the **“Report”**) is to reflect the activities carried out in 2022 by the Audit and Compliance Committee of CIE Automotive, S.A. (the **“Committee”** and the **“Company”**), so that the Company’s shareholders and other stakeholders can understand the activities carried out by the Committee in the year.

B. REPORT JUSTIFICATION

The Report is issued in accordance with and for the purposes laid down in Article 3 of the Audit and Compliance Committee Regulations, in Recommendation 6 of the Good Governance Code of Listed Companies and in section 79 of Technical Guide 3/2017 on Audit Committees of Public Interest Entities.

C. REPORT RECIPIENTS

The recipients of the Report are the Board of Directors and the General Meeting of Shareholders.

D. COMMITTEE REGULATION

The regulation of the Committee is contained, in general and principally, in the Corporate Enterprises Act, the Company’s Bylaws and the Regulations of the Audit and Compliance Committee, without prejudice to the Company’s monitoring of the recommendations of the Good Governance Code of Listed Companies, as reported in the Annual Corporate Governance Report.

E. COMPOSITION OF THE COMMITTEE

Appendix I of the Report presents the composition of the Committee during the year, including the category and seniority in the Committee of each of its members and identifying the members who have ceased to be members during 2022. In addition, the Report contains the information and descriptions of them



and their significant capabilities in terms of knowledge and experience that are shown in the corresponding section of the Company's website.

In practice, the Board of Directors determines the composition of the Committee based on the requirements contained in the regulations mentioned in Section 4, the content of the guidelines mentioned in Section 12 and, in particular, the experience and professional background of the candidates, always seeking to achieve a composition that combines the diversity of backgrounds and possible contributions with prior knowledge of the matters that are the object of the Committee's functions.

F. FUNCTIONS AND TASKS PERFORMED

The functions of the Committee throughout the year have been those attributed to it by the Corporate Enterprises Act, the Company's Bylaws and the Regulations of the Audit and Compliance Committee, without any changes having occurred. As regards the tasks performed in practice by the Committee during the year, these are identified and described in Section 9.

G. MEETINGS HELD BY THE COMMITTEE

The Committee met five times during the year, with the participation of members of the Company's senior management and the economic-financial department, depending on the subject matter.

In addition, the Secretary of the Board of Directors attended the meetings as secretary of the Board of Directors.

H. NUMBER OF MEETINGS HELD WITH THE EXTERNAL AUDITOR

The Committee has met five times with the external auditor, PriceWaterhouseCoopers Auditores.

I. SIGNIFICANT ACTIVITIES CARRIED OUT

The main activities carried out by the Committee during 2022 were as follows:



A. In the area of financial and non-financial information and associated internal control mechanisms

With regard to financial reporting, the Committee has reported on all periodic public information made public by the Company during the 2022 financial year, in accordance with applicable legislation (annual financial report in relation to the 2021 financial year, including the statement of non-financial information, interim directors' statement in relation to the first and third quarters of the 2022 financial year and half-yearly financial report in relation to the first half of the 2022 financial year).

In addition, as part of the review of the annual financial report in relation to 2021, the Committee reported on the Annual Corporate Governance Report and the Annual Remuneration Report (within the scope of its competencies) for said year.

With regard to the associated internal control mechanisms, the Committee has validated the conclusions of the Company's internal control over financial reporting system (ICFR).

Finally, it has reported favorably on the liquidity statement whose approval is necessary for the Board of Directors to be able to agree to pay an interim dividend against the results of the 2022 financial year.

B. Related-party transactions

As a consequence of the entry into force on July 3, 2021 of the Corporate Enterprises Act regarding the approval of related-party transactions by listed companies, the Committee has exhaustively analyzed the possible transactions that could qualify as related-party transactions and has issued the corresponding reports aimed at justifying the conditions thereof, with a view to their approval by the Company's Board of Directors.

C. In the area of risk management and control

The Committee has analyzed with senior management certain relevant risks inherent to the business, as well as the way in which the materialization of these risks is controlled and mitigated;



The CIE Automotive Group's Corporate Policies and Criminal Risk Prevention Manual have been updated. It also approved the proposed new wording of the CIE Automotive Group's risk control and management policy.

D. Internal audit

The Company has implemented the update of the Internal Audit function, having approved a regulatory standard for the Company's internal audit function and the subsequent internal audit strategic plan.

E. Relations with the external auditor

The Committee has maintained fluid communication with the external auditor in the performance of its duties, having been invited to all the meetings held by the Committee.

The main purpose of this communication was (i) the review of the periodic public information (half-yearly and annual), and (ii) the planning of the audit activities for 2022.

Likewise, in relation to the external auditor, the Committee has assessed and approved (if applicable) the services rendered by the auditing firm, other than its own auditing services, which have been submitted for approval by the Company and has ensured its independence, having issued the mandatory report for such purposes in relation to 2022.

The fees of the external auditor for the current year were also analyzed, highlighting that this was the last year of auditing by PricewaterhouseCoopers, since in years 2023, 2024 and 2025 it will be KPMG who will perform these functions in accordance with the resolution of the Ordinary General Meeting of Shareholders 2022.

F. Nature and scope of communications, if applicable, with regulators

The Committee has not maintained communications with the regulators, having in any case reviewed the requests for information that they have made in relation to the Committee's matters.



G. In tax matters

In 2020, the Board of Directors of CIE Automotive approved its adherence to the Code of Good Tax Practices, adopted within the Large Companies Forum in which the State Tax Administration Agency (AEAT) also participates, and the company has always complied with its contents.

In this regard, and in accordance with the recommendations of this code, as well as the provisions of the Corporate Enterprises Act, the Committee has analyzed the corporate principles in tax matters and the Company's tax strategy, prepared in accordance with best practices and recommendations.

The Audit and Compliance Committee has been duly informed of the tax policies applied by the Company during 2022, compliance with the approved tax strategy, the incidence of tax risks and the mechanisms for their control and management within the framework of the Company's Risk Management System, analyzing those issues of special tax significance applicable to the Company that occurred during the year.

In addition, first-hand information has been provided to the Committee, through the corporate tax department, on the principles of action in relation to activities carried out in tax havens and initiatives in the area of tax transparency, with the updating of content both on the website and in the voluntary publications carried out.

H. SCOPE OF THE ASSESSMENT

The Committee has not carried out a specific assessment of all its activities during the year, without prejudice to the commitment to continuous improvement assumed by all its members.

I. COMMITTEE'S OPINION ON THE ACCOUNTS AUDITOR

At its meeting of February 24, 2022, the Committee expressed its opinion on the independence of the external auditor for the year ended December 31, 2021. As a result, the Committee issued the subsequent report with its opinion on the independence of the external auditor, which was made available to the



Company's shareholders on the occasion of the last Ordinary General Meeting of Shareholders.

At the date of formulation of the Report, the Committee has not yet taken a decision on the independence of the external auditor for the year ended December 31, 2022, which is scheduled to take place at the Committee meeting to be held on February 24, 2023, according to the agenda of the notice of meeting already sent.

The subsequent report issued by the Committee with its opinion on the independence of the external auditor will be made available to the Company's shareholders on the occasion of the next Ordinary General Meeting.

J. INFORMATION ON WHAT PRACTICAL GUIDELINES ARE BEING FOLLOWED

The Committee follows Technical Guide 3/2017 on Audit Committees of Public Interest Entities. In addition, the Committee seeks to adapt its decisions and the performance of its activity to the best market practices in the scope of its actions and responsibilities, always to the extent possible and appropriate in consideration of the Company's own circumstances.

K. CONCLUSIONS

In consideration of the foregoing, the Committee concludes that it has maintained an adequate level of activity and has complied with its obligations during 2021. However, in its duty to continue to comply with its obligations, the Committee's principle is one of continuous improvement and, therefore, it will seek to improve in those areas where it sees the need to do so.

L. DATE OF FORMULATION

The Report was unanimously formulated by the Committee on February 24, 2023.

M. DATE OF PRESENTATION

The Report was presented by the Committee to the Board of Directors on February 24, 2023.



N. DISCLOSURE OF THE REPORT

The Report will be made available to the public (and, in particular, to the Company's shareholders on the occasion of the next Ordinary General Meeting of Shareholders) through publication on the Company's website, as from the date of the call of said Ordinary General Meeting of Shareholders.

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Bilbao, February 24, 2023

The Audit and Compliance Committee

APPENDIX 1**COMPOSITION OF THE AUDIT AND COMPLIANCE COMMITTEE FOR THE YEAR**

Director	Category	Position	Seniority on the Committee
Members of the Committee at December 31, 2022			
Elena Orbegozo Laborde	Independent	Chair	She was appointed member of the Committee and Chair on December 15, 2021
Arantza Estefania Larrañaga	Independent	Member	Since April 29, 2020.
María Eugenia Girón Dávila	Independent	Member	She was appointed to the Committee on December 15, 2021
Maria Teresa Salegui Arbizu	Proprietary	Member	Since October 27, 2010 (originally as an individual representing Addvalia Capital, S.A.).