



CIE Automotive

Regulation of the
Nomination and Remuneration Committee
of CIE Automotive, S.A.'s Board of Directors

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Chapter I. Nature

Article 1. Nature

1. The Nomination and Remuneration Committee (the Committee), constituted in accordance with current legislation and the Articles of Association, is a body with reporting and proposal functions to CIE Automotive, S.A.'s Board of Directors, which will be governed by the Articles of Association and the rules contained in these Regulations.
2. These Regulations may be amended by Board resolution, either by its own initiative or at the proposal of the Committee.

Chapter II. Composition

Article 2. Composition

1. The Committee will be comprised a minimum of three members and a maximum of five, who will be appointed by the Company's Board of Directors.

All the members of the Nomination and Remuneration Committee must be non-executive directors and at least two must be independent.

2. The Committee members will be appointed for a term of four years, without prejudice to their possible re-election. The renewal, re-election and removal of members will correspond to the Board of Directors, in accordance with the law and the company's Articles of Association.
3. The Board of Directors will also appoint, from among its members, a Chairman, who must necessarily be an independent director.

Likewise, the Nomination and Remuneration Committee will appoint the person who will perform the duties of Secretary of the Committee, who does not need to be a director and who, in any case, must meet the obligations imposed on directors under these Regulations, which, by their nature, are applicable to the Secretary.

Chapter III. Functions. Scope

Article 3. Functions

The Committee is constituted as an internal body of an informational and advisory nature without executive duties, with powers of information, consultancy and proposal within the scope of its operations.

For this purpose, the Committee will have the following responsibilities:

- 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.
- b) Reporting and reviewing the criteria to be followed for the composition of the Board of Directors and the selection of candidates and, in particular, the necessary skills, knowledge and experience required, along with the time and dedication necessary, to appropriately carry out their duties.
- c) Ensure that, when new vacancies are filled or when new directors are appointed, the selection procedures do not suffer from implicit biases that may suggest discrimination and, in particular, that do not hinder the appointment of female directors.
- d) Set a target for the representation of the least-represented gender within the Board of Directors and develop guidelines on how to meet that target.
- e) Report to the Board of Directors on the proposals for appointment of independent directors for their designation by co-option or for submission to the decision of the General Shareholders Meeting, as well as the proposals for re-election or removal of these Directors by the General Shareholders Meeting, and report on the proposals for the removal of directors made by the Board of Directors.
- f) Inform on the proposals for appointment of the remaining Directors for appointment by co-option or for submission to the decision of the General Shareholders Meeting, as well as proposals for re-election or removal of those directors by the General Shareholders Meeting.
- g) Report or draft proposals for the appointment of internal positions of the Board of Directors along with the members who must form part of each of the committees.
- h) Examine and organise the succession plan for the Chairman of the Board of Directors and chief executive of the company and, where appropriate, make proposals to the Board of Directors to ensure the succession occurs in an orderly and planned manner, in accordance with the plan of succession approved by the Board of Directors.
- i) Propose the system and amount of annual remuneration of directors to the Board of Directors, along with the individual remuneration of executive directors and other basic contractual terms, including any compensation or indemnities that may be established in case of removal, always in accordance with the directors' remuneration policy passed by the General Shareholders Meeting.
- j) Supervise the process of selecting candidates to senior management positions of the Company and inform the Chief Executive's proposals on the appointment or removal of senior managers.
- 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.

- 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.
- m) Any other functions resolved by the Company's Board of Directors.

Article 4. Scope

The Committee's functions will be carried by it, both with regard to CIE Automotive, S.A., and its affiliates or subsidiaries that belong its Group, as provided for in section 42 of the Spanish Commercial Code (*Código de Comercio*).

Chapter IV. Operating rules

Article 5. Meetings

The Committee will meet when the Chairman considers it appropriate for the purpose of carrying out its inherent functions. The Committee must meet at least three times a year.

Likewise, the Committee will meet at the request of at least one of its members. The request will be made to the Committee Chairman and must be accompanied by the agenda containing the topics the proponent intends the Committee to deliberate.

Article 6. Call

The member exercising the functions of the Chairman will be responsible for calling the meeting.

Unless the Chairman considers there are special reasons of urgency, the meeting will be notified to the members of the Committee at least eight calendar days in advance, by letter, fax, telegram or email.

The call will include the agenda of the session. Notwithstanding the above, the Committee may also deliberate on other issues not included in the aforementioned agenda.

Article 7. Constitution

To be quorate, the Committee will require the attendance, in person or represented, of half plus one of its members. Representation may only be granted in favour of another director who is a Committee member.

The members appointed to the positions of Chairman and Secretary will act in their respective capacities. In case of impossibility or absence, the Chairman will be replaced by the longest-standing Committee member and, if there are several members with the same seniority, by the oldest Committee member. In case of impossibility or absence, the Secretary will be replaced by the Committee's youngest member.

Article 8. Resolutions

Resolutions will be passed by absolute majority of the directors in attendance at the meeting, in person or represented.

The Secretary will draw up minutes that, once approved, either at the end of the session, or at the next one, will be signed by the Chairman and the Secretary.

Chapter V. Powers of the Committee

Article 9. Powers

1. For the correct performance of the functions within its scope of competence, the Committee will have full powers to access all types of information, documentation or records that it considers necessary to that end.
2. The Committee will have the authority to hire external advisory services on matters of special relevance when it considers that they cannot be provided adequately or with the necessary independence by experts or technicians from within the Company or its Group companies.
3. Likewise, at any time, the Committee may request personal contributions or reports from any member of the management team of the Company and/or its Group companies when it considers that these elements are necessary or appropriate for performing the Committee's assigned functions, as well as the presence of any of these executives at the meetings for which they were called.

Chapter VI. Compliance Interpretation

Article 10. Compliance and dissemination

1. The members of the Board of Directors, those of the Committee and the directors of CIE Automotive, S.A. and its Group companies, have the obligation to know and comply with these Regulations.
2. Similarly, the Committee will adopt the necessary measures to ensure the awareness and dissemination of these Regulations in the Company and its Group companies. In any case, the Committee will be required to oversee the compliance with these Regulations.

Article 11. Interpretation

Any dispute that arises in relation to the interpretation of these Regulations will be decided by way of a resolution passed by the Committee, which must be ratified by the Board of Directors of CIE Automotive, S.A.