

APPENDIX 1

**ANNUAL REPORT ON DIRECTORS' REMUNERATION
FOR LISTED COMPANIES**

ISSUER'S PARTICULARS

FINANCIAL YEAR

31/12/2017

Tax ID No.

A-20014452

COMPANY NAME

CIE AUTOMOTIVE, S.A.

REGISTERED OFFICE

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

MODEL ANNUAL REPORT ON DIRECTORS' REMUNERATION FOR LISTED COMPANIES

A THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT YEAR

A.1 Explain the Company's remuneration policy This heading includes information on the following:

- General principles and fundamental bases of the remuneration policy.
- The most significant changes made to the remuneration policy with regard to that implemented in the previous year, as well as any modifications made during the year to the terms for exercising options already granted.
- Criteria used and composition of comparable groups of companies whose remuneration policies have been examined to establish the Company's remuneration policy.
- Relative weight of variable to fixed remuneration items and the criteria followed to determine the different components of the directors' remuneration package (remuneration mix).

Explain the remuneration policy

On 27 February 2018, the Board approved a new directors' remuneration policy that it intends to submit for approval at the next Annual General Meeting.

A. PRINCIPLES AND FUNDAMENTAL BASES.

CIE Automotive's Remuneration Policy seeks to ensure that the directors' remuneration is commensurate with their dedication and responsibility assumed and is in line with that paid in the market at comparable companies in Spain and abroad, taking into account the long-term interest of all shareholders.

The Remuneration Policy must therefore be appropriate in view of the circumstances at any given time, paying special attention to changes in regulations, best practices, recommendations and trends –both in Spain and abroad– regarding the remuneration of directors of listed companies and prevailing market conditions.

Therefore, the Remuneration Policy for directors acting as such is based on the following basic principles:

- a) Adequately compensate the dedication and responsibility assumed by the directors, in accordance with that paid in the market at comparable companies based on their capitalisation, size, ownership structure and international presence.
- b) Ensure that remuneration contributes directly to the achievement of CIE Automotive's strategic objectives.
- c) Ensure that the best professionals are properly attracted, motivated and retained.

Lastly, it should be noted that the nature of their relationship has been taken into account, insofar as the Company has decided not to grant remuneration to proprietary directors (except for the Chairman of the Board, due to his special dedication), although this decision is currently being reviewed and could give rise to a new remuneration policy in subsequent years that takes into account this specific fact.

In addition to that mentioned above, in the case of those directors who perform executive functions at the Company, the basic principles governing their remuneration are as follows:

- a) Compensate with a comprehensive offer of monetary components that recognises and respects the diversity of their needs and expectations relating to the professional environment, while at the same time serving as a communication tool for organisational purposes and business objectives.
- b) Ensure that remuneration, in terms of structure and overall amount, complies with best practice and is competitive with that of the market.
- c) Include a significant annual variable component linked to performance and the achievement of specific, predetermined and quantifiable objectives.
- d) Strengthen and encourage the achievement of the Company's strategic objectives by incorporating long-term incentives, and reinforcing the continuity of the competitive development of the Group, its directors and its management team, with the effect of motivating and building loyalty, and retaining the best professionals.
- e) Promote a culture of commitment to the Group's objectives, where both individual and team contribution is essential.
- f) Establish appropriate mechanisms so that the Company can be reimbursed for variable remuneration components when the requirements for which payment was made have not been met.

B. CRITERIA, MOST SIGNIFICANT CHANGES AND REMUNERATION MIX

This Remuneration Policy makes a distinction between the remuneration scheme for discharging the duties of directors acting as such and the remuneration scheme for the performance of executive functions by executive directors.

I. Directors acting as such

The remuneration policy establishes a fixed annual emolument for directors acting as such, which will only be paid to those non-executive directors with special dedication to the Company, i.e. (i) the Chairman of the Board and (ii) the independent directors.

It is up to the Board to establish the frequency with which the annual emolument will be paid. In addition, the Chairman of the Board will receive remuneration in kind for the use of the company vehicle.

II. Executive directors

For the performance of executive functions on a full-time basis, the directors' remuneration policy will establish a structure similar to the remuneration for the Company's management personnel and will include, for the Chief Executive Officer (i) fixed remuneration; (ii) short-term variable remuneration; (iii) long-term variable remuneration; (iv) remuneration for non-compete and long-term service commitments, and (v) ancillary obligations and care benefits.

The executive director that is responsible for corporate and M&A transactions will receive (i) fixed remuneration and (ii) additional remuneration calculated as a percentage of the value of each company acquired, with a maximum amount to be received per transaction.

The directors' remuneration policy has been reorganised compared to that of the previous year with the following changes: (a) the Chairman of the Board –who has become a proprietary director– will receive fixed remuneration as a result of his special dedication to the Company; (b) the Chief Executive Officer streamlines his remuneration package with a mix between fixed and variable remuneration that places special emphasis on the variable component (short and long term) and on considerations of time commitment and non-compete obligations; all of these considerations are within the framework of a remuneration policy that is in line with his merit and long-term service commitment to remain with the Company over a time horizon of ten (10) years, which provides the stability necessary for building the future of the CIE Automotive Group; and (c) the remuneration of the director with executive functions in the framework of corporate and M&A transactions is linked in particular to the successful completion of those transactions.

- A.2 Information on the preparatory work and the decision-making process followed to determine the remuneration policy and the role played, if any, by the Remuneration Committee and other control bodies in shaping the remuneration policy. This information will include, where applicable, the term and composition of the Remuneration Committee and the identity of the external advisors whose services were used to draw up the remuneration policy. The nature of the directors who, where applicable, were involved in defining the remuneration policy will also be stated.

Explain the process for determining the remuneration policy

The Appointments and Remuneration Committee is the body responsible for proposing the adoption of decisions on the remuneration of directors, in accordance with the Board Regulations and the Appointments and Remuneration Committee Regulations and the functions assigned thereto in these regulations.

The Company's Appointments and Remuneration Committee, in accordance with the functions attributed thereto in the Board Regulations and the Appointments and Remuneration Committee Regulations, organises its operations on the basis of a schedule of annual meetings and a specific agenda for each meeting, without prejudice to any additional meetings that may be held as a result of circumstances unforeseen at the outset. With regard to the way in which the Appointments and Remuneration Committee deliberates on the proposed remuneration of the directors, it should be noted that, in the initial phase of deliberations, the Chairman of the Board meets with the members of the Appointments and Remuneration Committee and sets out his vision for the remuneration of directors during the year, based on the Company's policy. Once this initial opinion has been laid out, the members of the Appointments and Remuneration Committee discuss the decisions to be taken and, at the meeting normally held in December, submit to the Board the proposed remuneration of the directors for the year, and these decisions are adopted at the Board meeting held in December. Since the directors' remuneration policy and the criteria for remuneration were thoroughly reviewed this year, it was not until the meeting in February that the Appointments and Remuneration Committee gave its approval of the new remuneration policy and the remuneration to be presented to the corporate bodies for 2018.

The members of the Appointments and Remuneration Committee must be non-executive directors, two of whom will be independent directors. The Appointments and Remuneration Committee is currently composed of the following directors, (i) Chairman: Ángel Ochoa Crespo (independent), (ii) Member: Francisco J. Riberas Mera (proprietary) and (iii) Member: Carlos Solchaga Catalán (independent).

During the year ended 31 December 2017, the Appointments and Remuneration Committee met on two (2) occasions. The Committee did not collaborate with external advisors in exercising its functions.

- A.3 Indicate the amount and nature of the fixed components, with a breakdown, where applicable, of the remuneration of executive directors for performing senior management functions, additional remuneration as chairman or member of a board committee, fees for attending board and committee meetings or other fixed remuneration as a director, and an estimate of the annual fixed remuneration arising therefrom. Identify other non-cash benefits and the main parameters by which they are provided.

Explain the fixed remuneration components

The fixed remuneration components of the various directors for 2018 are as follows:

- Chairman of the Board: EUR 1,200 thousand;
- Chief Executive Officer: EUR 525 thousand;
- Chairman of the Audit and Compliance Committee and lead independent director: EUR 140 thousand;
- Chairman of the Appointments and Remuneration Committee: EUR 100 thousand;
- Executive director with functions involving corporate and M&A transactions: EUR 200 thousand.

There are no attendance fees or other fixed remuneration components for the other Board members.

- A.4 Explain the amount, nature and main characteristics of the variable components of the remuneration schemes.

In particular:

- Identify each of the remuneration plans of which the directors are beneficiaries, their scope, date of approval, date of implementation, validity period and their main characteristics. In the case of share option plans and other financial instruments, the general characteristics of the plan must include information on the terms for exercising these options or financial instruments for each plan.
- Indicate any payments made under profit-sharing or bonus schemes, and the reason for their accrual.
- Explain the main parameters and fundamental bases for any bonus scheme.
- The types of directors (executive directors, proprietary non-executive directors, independent non-executive directors or other non-executive directors) who are beneficiaries of remuneration schemes or plans that include variable remuneration.
- The fundamental bases of these variable remuneration schemes or plans, the criteria chosen for evaluating performance, and the components and evaluation methods to determine whether or not these evaluation criteria have been met and an estimate of the absolute amount of the variable remuneration that would result from the current remuneration plan, depending on the degree of compliance with the assumptions or objectives taken as a reference.
- Where applicable, information will be provided on any periods for deferring payment that may have been established and/or periods for retaining shares or other financial instruments, if any.

Explain the variable components of the remuneration schemes

The variable components are reserved for the Chief Executive Officer within the framework of the Board, on the basis of the following essential purpose (all subject to approval at the General Shareholders Meeting of the new directors' remuneration policy and the long-term incentive plan based on the performance of the share price): to guarantee the long-term service, commitment, incentive and motivation of the Chief Executive Officer of the CIE Automotive Group over the next ten (10) years. This is why long-term, retention and non-compete incentives are linked to this time frame, which is considered the next essential cycle in the performance of the Company and its Group, its growth and its strategic challenges.

Therefore, the variable components will be as follows:

(a) Short-term variable remuneration

The variable remuneration of the Chief Executive Officer will be linked to the objectives included in the annual report on directors' remuneration and will be related to parameters such as the net profit and the gross operating profit (EBITDA) approved in the annual budget by the Board.

Short-term variable remuneration may not exceed 100% of the fixed remuneration.

The Board, following a proposal of the Appointments and Remuneration Committee (which will have verified the degree of compliance with the established parameters), will determine the degree of compliance for the short-term variable remuneration and its corresponding amount.

(b) Long-term variable remuneration

The long-term variable remuneration of the Chief Executive Officer is based on the performance of the share price, provided that it is approved at the Annual General Meeting.

Once the final amount is determined, this incentive will entitle the Chief Executive Officer to receive a bonus equal to the difference between a reference price and the quoted price in each exercise window, multiplied by a number of units also to be determined at the General Meeting.

The shareholders at the Annual General Meeting are expected to pass a resolution that establishes four exercise windows (third, fifth, eighth and tenth year of the plan) that will vest the right to receive the incentive based on the performance of the share price up until that date and, if exercised, set the reference value of the next window at the amount at which the previous window was exercised. The specific details of the long-term variable remuneration, its conditions and monetary components will be determined at the Annual General Meeting.

- A.5 Explain the main characteristics of the long-term savings schemes, including retirement and any other survivor's benefits, financed in part or in full by the company, whether they are provided internally or externally, with an estimate of their amount or equivalent annual cost, indicating the type of plan, whether it is a defined contribution or benefit plan, the terms for vesting dividend rights in favour of the directors and their compatibility with any type of compensation for early termination of the contractual relationship between the company and the director.

Also indicated any contributions on the director's behalf to defined-contribution pension plans or any increase in the director's vested rights in the case of contributions to defined-benefit plans.

Explain any long-term savings schemes
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There is no such remuneration.

- A.6 Indicated any termination benefits agreed or paid in the event of termination of the director.

Explain any termination benefits

If the new directors' remuneration policy is effectively approved at the General Shareholders Meeting, the Chief Executive Officer will be entitled to receive the full amount of his long-term service commitment if the shareholders at the General Meeting and the Board decide not to keep him in office for any reason within a period of ten (10) years from the approval of the directors' remuneration policy.

In any case, the termination benefit clauses will form part of the directors' remuneration policy that is to be approved at the next Annual General Meeting.

It should also be noted that the Chief Executive Officer was an employee of the CIE Automotive Group before taking up that position. Therefore, his employment relationship (along with the rights associated with it) is suspended and would automatically be resumed if he stood down as director, and the rights established in the current law in the event of contractual termination would also be reactivated.

- A.7 Indicate the terms to apply to the contracts of executive directors exercising senior management functions. Among other information, indicate the term, limits on termination benefits, long-term service clauses, notice periods, as well as payment as a substitute for the aforementioned notice period, and any other clauses relating to hiring bonuses, termination benefits or golden parachutes

in the event of early termination of the contractual relationship between the company and the executive director. Include, among others, non-compete, exclusivity, long-term service or loyalty and post-contractual non-compete covenants or agreements.

Explain the terms of the contracts of executive directors

The essential characteristics of the Chief Executive Officer's contract are as follows:

(i) Term

The contract has an indefinite term.

The Chief Executive Officer's contract may be freely terminated at any time by the Company, without prior notice and with the termination benefits indicated in section A.6 above, as approved at the Annual General Meeting.

Accordingly, the Chief Executive Officer may freely terminate the contract and resign from his position at any time, giving prior notice of at least three months, and must return the amount corresponding to the non-compete agreement and long-term service bonus described below.

(ii) Applicable regulations

The regulations applicable to the contracts of executive directors are those provided for in each case by law.

(iii) Non-compete agreement

Given the extent of his knowledge of the design and execution of the Company's strategy and business plans, the Chief Executive Officer's contract contains a non-compete obligation in relation to companies and activities that are similar in nature during the term of his relationship with the Company and for a subsequent period of between one and two years. As compensation for these commitments, the Chief Executive Officer will be entitled to remuneration payable that must be repaid to the Company in the event of early termination of the relationship with the Company.

(iv) Long-term service bonus and exclusivity agreement

The Chief Executive Officer assumes a commitment of exclusivity and long-term service for a period of at least ten years.

As compensation for these commitments, the Chief Executive Officer will be entitled to remuneration that must be repaid to the Company in the event of early termination of the relationship with the Company.

(v) Confidentiality and return of documents

A strict duty of confidentiality is established for executive directors, both during the term of their contracts and once the relationship has been terminated. In addition, when their relationship with the Company has been terminated, executive directors must return to the Company any documents and objects related to their activity that are in their possession.

(vi) Ethical duties

Executive directors must conduct their business in good faith and with loyalty, and refrain from directly or indirectly taking part in situations that could give rise to a conflict between their personal interests and those of the Company.

A.8 Explain any additional remuneration earned by directors as consideration for services rendered other than those inherent to their position.

Explain any additional remuneration

There is no such remuneration.

A.9 Indicate any remuneration in the form of advances, loans and guarantees granted, indicating the interest rate, their essential characteristics and any amounts repaid, as well as the obligations assumed on their behalf by way of guarantee.

Explain any advances, loans and guarantees granted

The Chief Executive Officer has an account payable to the Company by virtue of a loan agreement for the acquisition of shares in the Company, which currently amounts to EUR 303 thousand.

A.10 Explain the main characteristics of remuneration in kind.

Explain any remuneration in kind

The loan referred to in section A.9 above implies the existence of remuneration in kind because of the interest rate applied to this loan. In addition, the Chairman of the Board, the Chief Executive Officer, and the director with executive functions in corporate and M&A transactions are allowed to use a company vehicle, which is considered remuneration in kind.

A.11 Indicate the remuneration earned by the director by virtue of payments made by the listed company to another entity at which the director provides services, when the purpose of these payments is to compensate their services at the company.

Explain the remuneration earned by the director by virtue of payments made by the listed company to another entity at which the director provides services

There is no such remuneration.

A.12 Any type of remuneration other than that listed above, of whatever nature and provenance within the group, especially when it may be considered a related party transaction or when its omission would detract from the fair presentation of the total remuneration earned by the director.

Explain any other remuneration

The director with executive functions in corporate and M&A transactions, in addition to their fixed remuneration, is entitled to receive a percentage (0.25%) of the value of the company being acquired in each business acquisition transaction, with a maximum limit of EUR 800 thousand per transaction.

A.13 Explain the actions taken by the company in relation to the remuneration scheme to reduce exposure to excessive risk and to bring it into line with the company's objectives, values and long-term interests, including, where applicable, reference to measures envisaged to ensure that the remuneration policy takes into account the long-term performance of the company, measures that strike an appropriate balance between fixed and variable components of remuneration, measures taken with regard to those categories of staff whose professional activities have a material impact on the company's risk profile, formulas or clauses for recovering variable components of remuneration based on performance when such components have been paid on the basis of data that have subsequently proven to be manifestly misstated, and measures envisaged to avoid conflicts of interest, where appropriate.

Explain actions taken to reduce risks

Beyond the genuine obligation of the Appointments and Remuneration Committee and the Board to ensure that the remuneration to be paid to directors reflects the company's objectives, values and long-term interests and, consequently, that corrective and risk mitigation measures are taken –although this has not been necessary to date–, it should be mentioned that no specific actions have been taken in relation to the remuneration scheme to reduce exposure to excessive risk and to bring it into line with the company's objectives, values and long-term interests.

Without prejudice to the foregoing, the Board, in accordance with the proposal, if any, put forward by the Appointments and Remuneration Committee, has the power to demand the return of the remuneration already paid in relation to the long-term service commitment (claw-back clauses) under the circumstances mentioned in section A.9 above. Furthermore, additional measures may be put in place to claim repayment in special situations such as fraud or a serious breach of law.

B REMUNERATION POLICY ENVISAGED FOR FUTURE YEARS

Deleted.

C OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS IMPLEMENTED DURING THE YEAR

C.1 Give a summary of the main characteristics of the remuneration structure and items of the remuneration policy implemented during the year, which details the individual remuneration earned by each of the directors as reflected in section D of this report, as well as a summary of the decisions taken by the board for the application of these items.

Explain the remuneration structure and items of the remuneration policy implemented during the year
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At the company, only the following received remuneration: (i) executive directors and (ii) directors that performed special functions at the company as a result of their membership on the committees. Accordingly, the characteristics and items of remuneration for each of the directors that earned remuneration during the year are detailed below:

Antonio María Pradera Jáuregui

(i) fixed remuneration: EUR 500 thousand; (ii) short-term variable remuneration (extraordinary remuneration resulting from the Group's compliance with certain levels of business success): EUR 700 thousand; (iii) remuneration in kind for the use of the company vehicle: EUR 13.8 thousand.

Short-term variable remuneration is determined based on the Board's assessment of the Company's success with regard to its performance during the year and the Chairman's generation of value, dedication and contribution to accomplishing this achievement.

Jesus Maria Herrera Barandiaran

(i) fixed remuneration: EUR 450 thousand; (ii) short-term variable remuneration (extraordinary remuneration resulting from the Group's compliance with certain levels of business success): EUR 400 thousand; (iii) remuneration in kind due to the interest rate applied to the loan: EUR 17 thousand; (iv) remuneration in kind for the use of the company vehicle: EUR 14.3 thousand; (v) additional remuneration to repay part of the loan granted to acquire shares in the Company when he was managing director (and not a director) of the Company: EUR 297 thousand; and (vi) accrual of the long-term incentive plan based on the performance of the share price: EUR 16,488 thousand.

Short-term variable remuneration is determined based on the Board's assessment of the Company's success with regard to its performance during the year, compliance with EBITDA levels as regards those budgeted at the time, and the Chief Executive Officer's generation of value, dedication and contribution to accomplishing this achievement.

Fermín del Río Sanz de Acedo

(i) fixed remuneration: EUR 120 thousand; (ii) extraordinary remuneration arising from the agreement to provide strategic consulting services in M&A transactions: EUR 1,188 thousand; (iii) remuneration in kind for the use of the company vehicle: EUR 15.1 thousand.

Carlos Solchaga Catalán

(i) fixed remuneration: EUR 120 thousand.

Ángel Ochoa Crespo

(i) fixed remuneration: EUR 80 thousand.

D DETAIL OF THE INDIVIDUAL REMUNERATION EARNED BY EACH OF THE DIRECTORS

Name	Type	Accrual period 2017
ANTONIO MARÍA PRADERA JÁUREGUI	Proprietary	From 01/01/2017 to 31/12/2017.
ELIDOZA PROMOCIÓN DE EMPRESAS, S.L.	Proprietary	From 01/01/2017 to 31/12/2017.
JESÚS MARÍA HERRERA BARANDIARÁN	Executive	From 01/01/2017 to 31/12/2017.
ÁNGEL OCHOA CRESPO	Independent	From 01/01/2017 to 31/12/2017.
CARLOS SOLCHAGA CATALÁN	Independent	From 01/01/2017 to 31/12/2017.
FRANCISCO JOSÉ RIBERAS MERA	Proprietary	From 01/01/2017 to 31/12/2017.
JUAN MARÍA RIBERAS MERA	Proprietary	From 01/01/2017 to 31/12/2017.
ACEK DESARROLLO Y GESTIÓN INDUSTRIAL, S.L.	Proprietary	From 01/01/2017 to 31/12/2017.
FERMÍN DEL RÍO SANZ DE ACEDO	Executive	From 01/01/2017 to 31/12/2017.
SHRIPRAKASH SHUKLA	Proprietary	From 01/01/2017 to 31/12/2017.
VANKIPURAM PARTHASARATHY	Proprietary	From 01/01/2017 to 31/12/2017.
ADDVALIA CAPITAL, S.A.	Proprietary	From 01/01/2017 to 31/12/2017.
QMC DIRECTORSHIPS, S.L.	Proprietary	From 01/01/2017 to 31/12/2017.

D.1 Complete the following tables regarding the individual remuneration of each of the directors (including remuneration for exercising executive functions) earned during the year.

a) **Remuneration earned at the reporting company:**

i) **Remuneration in cash (thousands of euros)**

Name	Salaries	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership on Board committees	Termination benefits	Other items	Total - 2017	Total - 2016
CARLOS SOLCHAGA CATALÁN	0	120	0	0	0	0	0	0	120	120

Name	Salaries	Fixed remuneration	Attendance fees	Short-term variable remuneration	Long-term variable remuneration	Remuneration for membership on Board committees	Termination benefits	Other items	Total - 2017	Total - 2016
ÁNGEL OCHOA CRESPO	0	80	0	0	0	0	0	0	80	80
ANTONIO MARÍA PRADERA JÁUREGUI	0	500	0	700	0	0	0	14	1,214	2,210
JESÚS MARÍA HERRERA BARANDIARÁN	0	450	0	400	0	0	0	328	1,178	1,141
FERMÍN DEL RÍO SANZ DE ACEDO	0	120	0	0	0	0	0	1,203	1,323	2,140

ii) Share-based payments

JESÚS MARÍA HERRERA BARANDIARÁN												
LONG-TERM INCENTIVE LINKED TO PERFORMANCE OF THE SHARE PRICE												
Target date	Options held at the beginning of 2017					Options offered in 2017						
	No. of options	No. of shares affected	Exercise price (€)	Exercise period		No. of options	No. of shares affected	Exercise price (€)	Exercise period			
30/04/2014	900,000	0	0.00	N/A		0	0	0.00	N/A			
Terms: N/A												
Shares delivered in 2017			Options exercised in 2017				Expired options not exercised	Options at end of 2017				
No. of shares	Price	Amount	Exercise price (€)	No. of options	No. of shares affected	Gross profit (thousands of euros)	No. of options	No. of options	No. of shares affected	Exercise price (€)	Exercise period	
0	0.00	0	18.39	900,000	0	16,551	0	0	0	0.00	N/A	
Other exercise requirements: N/A												

iii) Long-term savings schemes

iv) Other benefits (thousands of euros)

JESÚS MARÍA HERRERA BARANDIARÁN			
Remuneration in the form of advances, loans granted			
Interest rate of the transaction		Essential characteristics of the transactions	Amounts eventually returned
0.00		Loan granted to acquire shares of the Company when he was the general manager (and not a director) of the Company.	A total of EUR 150 thousand was repaid.
Life insurance premiums		Guarantees provided by the company for directors	
2017	2016	2017	2016
0	0	N/A	N/A

b) Remuneration earned by directors for sitting on the boards of other group companies

i) Remuneration in cash (thousands of euros)

ii) Share-based payments

iii) Long-term savings schemes

c) Summary of remuneration (thousands of euros)

The summary should include amounts for all remuneration items referred to in this report earned by the director, in thousands of euros.

For long-term savings schemes, contributions or amounts allocated to the scheme should be included:

Name	Remuneration earned at the Company				Remuneration earned at Group companies				Total		
	Total remuneration in cash	Amount of shares granted	Gross gain on options exercised	Total 2017 - Company	Total remuneration in cash	Amount of shares delivered	Gross gain on options exercised	Total 2017 - Group	Total 2017	Total 2016	Contribution to saving schemes in the year
ANTONIO MARÍA PRADERA JÁUREGUI	1,214	0	0	1,214	0	0	0	0	1,214	2,210	0
JESÚS MARÍA HERRERA BARANDIARÁN	1,178	0	16,551	17,729	0	0	0	0	17,729	1,141	0
FERMÍN DEL RÍO SANZ DE ACEDO	1,323	0	0	1,323	0	0	0	0	1,323	2,140	0
CARLOS SOLCHAGA CATALÁN	120	0	0	120	0	0	0	0	120	120	0
ÁNGEL OCHOA CRESPO	80	0	0	80	0	0	0	0	80	80	0
TOTAL	3,915	0	16,551	20,466	0	0	0	0	20,466	5,691	0

D.2 Report on the relationship between the remuneration obtained by the directors and the company's results or other performance measures, explaining, where applicable, how changes in the company's performance may have influenced a change in directors' remuneration.

There is no direct relationship between directors' remuneration and objective elements of the Company's results. This relationship exists to the extent that the Company's extraordinary profit (as a qualitative component, without establishing components of a quantitative nature that moderate or modulate this amount with a direct or linear relationship) is the basis for the extraordinary remuneration of the Chairman of the Board and the remuneration measures of the other executive directors.

Consequently, if there is a conceptual or qualitative relationship, there is no linear correlation with regard to specific components or quantitative objectives.

D.3 Report on the result of the advisory vote at the general meeting on the annual remuneration report of the previous year, indicating the number of votes cast against the report, if any:

	Number	% of total
Votes cast	103,920,928	100.00%

	Number	% of total
Votes against	15,317,945	14.74%
Votes for	88,124,947	84.80%
Abstained	478,036	0.46%

E OTHER INFORMATION OF INTEREST

If there is any salient feature of directors' remuneration that has not been addressed in the other sections of this report, and that is necessary to provide a more comprehensive view of the company's remuneration structure and practices with regard to directors, provide a brief description.

LONG-TERM INCENTIVE BASED ON THE PERFORMANCE OF THE SHARE PRICE

Section D.1. of this report details the gross amount received by the Chief Executive Officer as a result of exercising share options. It should be clarified that the remuneration scheme in question is not a stock option plan as such, but rather a cash incentive based on the performance of the share price in accordance with that approved at the General Shareholders Meeting on 30 April 2014.

The key features of this plan for the Chief Executive Officer were as follows:

- The incentive consists of the assignment of a certain number of rights to the Chief Executive Officer, which includes the option to receive extraordinary multi-year remuneration based on the increase in value of the same number of shares of CIE Automotive, S.A. during the vesting period from 1 January 2013 to 31 December 2017, using their market value as a reference and that will be paid in cash or in Company shares at the discretion of the Company's Board. In this regard, the Board agreed to the settlement in cash of the incentive.
- Calculation of the incentive

The Chief Executive Officer, subject to compliance with the two conditions set out in the following section, will be entitled to receive, no later than 31 March 2018, extraordinary remuneration consisting of an amount in euros (€) resulting from the application of the following formula:

Incentive = Number of rights x (Market value - Initial value)

where

Initial value corresponds to the amount of EUR 6.00 per share.

Market value is equal to the average quoted price of CIE Automotive, S.A.'s shares on the Bilbao Stock Exchange (Spanish stock market interconnection system . Continuous market, or equivalent system that may replace it at any time) from 1 October 2017 to 31 December 2017. Pursuant to Ministry of Economy Order HFP 191/2018, it amounts to EUR 24.39.

Number of rights is equal to 900,000.

Therefore, the amount totals EUR 16,551 thousand.

This annual remuneration report was approved by the Board at its meeting held on 27/02/2018.

Indicate whether any directors voted against or abstained in relation to the approval of this report.

Yes []

No [X]