



# *Shareholder remuneration policy*

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## 1. Introduction

In accordance with section 529 ter of the Spanish Corporate Enterprises “**LSC**” (*Ley de Sociedades de Capital*), approval of the dividends policy may be delegated to the Board of Directors of listed companies.

By virtue of the above, the Board of Directors of CIE Automotive, S.A. (the “**Company**”) agrees to approve this shareholder remuneration policy (the “**Policy**”), which forms part of the Company’s corporate governance system.

## 2. Compliance with current regulations

Any resolutions passed by the General Meeting of Shareholders and the Board of Directors when implementing the Company’s shareholder remuneration policy will, in all cases, comply with current legal regulations and internal corporate governance rules, and take into consideration generally recognised recommendations of good governance in the international markets with regard to this matter.

## 3. Actions of the Board of Directors

The Board of Directors, within its sphere of competence, will propose to the Annual General Meeting of Shareholders the decisions it considers to be appropriate regarding the distribution of dividends and, where appropriate, it will agree on the payment of dividends.

The Board of Directors will also propose other modes of shareholder remuneration, including flexible remuneration systems (*scrip dividend*), buy-back programmes for amortisation, capital increases, distributions in kind, etc., and decide the frequency with which these modes will be put into practice.

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#### 4. Levels of shareholder remuneration

Provided there are no exceptional circumstances that justify its modification, the shareholder remuneration (pay-out) implemented by the Company, in any of the modes set out previously, must be sustainable, compatible with the Company's ongoing financial robustness, and in line with that of companies with a similar business profile.

In addition, the Board of Directors will endeavour to ensure that, although the distribution of dividends can be made through any of the modes provided for in the Spanish Corporate Enterprises Act, the Company will pay its annual dividends in two instalments:

- (i) an initial payment, through the distribution of an interim dividend agreed by the Board of Directors in December of each year, which will be paid between the months of January and February of the following year; and
- (ii) a second payment, through the distribution of an ordinary dividend, which will be agreed at the Ordinary General Shareholders Meeting at the time the annual accounts are approved, and will be paid between the months of June and July of each year.

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