



Procurement policy and relations with the accounts auditor

 CIE Automotive	PROCUREMENT POLICY AND RELATIONS WITH THE ACCOUNTS AUDITOR	Code:	CIE CO CP PO 12
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1. Introduction

The Board of Directors of CIE Automotive, S.A. (the "**Company**", and together with its group companies, the "**Group**") issues this policy (the "**Policy**") to ensure that the Company's external accounts auditor is an independent firm, which possesses the technical capabilities required to carry out its work effectively and responsibly and in accordance with the applicable regulations.

This policy regulates the selection, appointment and, where appropriate, the re-election and dismissal of the auditor for the Company's individual accounts and the Group's consolidated accounts, as well as the framework for relations with the auditor and the procedure for evaluating its activity.

2. Appointment, selection and dismissal

The auditor responsible for verifying the Company's individual accounts and the Group's consolidated accounts will be appointed, re-elected and dismissed by the General Meeting of Shareholders.


The Board of Directors will submit for the approval of the General Meeting of Shareholders its proposal regarding the appointment, reappointment or dismissal of the accounts auditor, having previously received a favourable report in this regard from the Company's Audit and Compliance Committee (the "**Committee**").

The Committee will establish the minimum requirements to be met by any entities that wish to be appointed auditor to the Company, as well as the most appropriate procurement and selection process, which must be impartial, transparent, efficient and non-discriminatory. This process may, if required, take the form of a public tender competition between the different candidate entities to ensure compliance with the above requirements.

The Committee will ensure, among other things, strict compliance with any regulations applicable to the procurement and selection of auditors and, in particular, the equal treatment of candidate firms.

The Committee will refrain from proposing to the Board of Directors the appointment as auditor to the Company of any accounts auditing firm if it has evidence that said firm is affected by a lack of independence, prohibition, or incompatibility, pursuant to current legislation regarding accounts auditing.

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3. Re-election

Before the end of the year in which the appointment of the Company's auditor is due to expire, the Committee will consider its possible re-election or, as the case may be, implementing the procedure to select and appoint a new auditor, in accordance with the previous section.

To this end, the Committee will take into consideration the findings of the annual evaluation of the independence and the quality of the work carried out by the Company's auditors, as well as any quantitative and temporal constraints set forth in the applicable regulations.

The Committee will submit to the Board of Directors its proposal for the re-election of the auditor, so that it may, in turn, be raised with the General Meeting of Shareholders.

4. Dismissal

The Committee will only be able to propose to the Board of Directors the dismissal of the accounts auditor, for subsequent elevation to the General Meeting of Shareholders, when permitted by current regulations.

5. Relations with the external auditor

The Committee will act as a channel of communication between the Board of Directors and the accounts auditor. The Committee will maintain an objective, professional, fluid and continuous relationship with the Company's auditors, while observing the latter's independence.


The Committee's annual schedule of meetings will include all matters that may influence the audit opinion and the independence of the auditor.

The Committee will verify compliance with the account auditor's audit plan, receiving regular information from the accounts auditor regarding the audit plan and the results of its implementation.

For its part, the accounts auditor will submit to the Committee, as a result of its work, an annual report with its recommendations.

The Committee will follow up on the recommendations proposed by the accounts auditor and may request the latter's collaboration when considered necessary. In addition, the accounts auditor will explain to the Committee how it has addressed any risks found.

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6. Independence

The Committee will ensure that the Company's auditors are independent and that this independence is manifest in relations between the two companies. To this end, it will authorise, prior to its formalisation, any contract that the Company intends to enter into with the auditor or with any member of its network for the provision of non-auditing services to the Company or to any of its Group companies, in order to be able to analyse individually and globally any threats to the auditor's independence that may arise from such contracts. For this purpose, the Committee will operate in constant communication and coordination with the audit and compliance committees of the other Group companies.

For the Committee to authorise the provision of non-auditing services by the auditor, it will evaluate the aspects set out in the Audit Committee Regulations.

Notwithstanding the foregoing, the accounts auditor may perform limited audits or reviews of any interim accounts published with periods of less than one year in accordance with current regulations.

The Committee will also immediately report any procurement of services - audit and non-audit - from any firms that conduct audits in the companies that make up the Group, with sufficient detail to allow for comprehensive and effective analysis of the impact that the procurement of such services could entail in terms of independence from an individual and joint perspective.

The Committee will receive annually from the Company's auditor a certificate of independence regarding the firm as a whole and the team members who are involved in the process of auditing the Group's annual accounts vis-à-vis the Company or entities linked to latter, directly or indirectly, as well as detailed and individualised information regarding additional services (other than accounts auditing) of any kind provided to these entities by the aforementioned accounts auditor, or by persons or entities linked to latter in accordance with legislation governing accounts auditing. Furthermore, in the annual certificate provided to the Committee, the accounts auditor will report on its compliance with internal procedures for quality assurance and independence safeguards implemented.

Annually and prior to the issuance of the auditors' report, the Committee will issue a report expressing an opinion on the independence of the account auditor. This report will contain an assessment of the impact on auditor independence of each and every one of the additional services, other than the statutory audit, referred to in the preceding paragraph, individually and as a whole.

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