

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

1. PURPOSE OF THE REPORT

The purpose of this report (the **“Report”**) is to reflect the activities carried out in 2022 by the Appointments and Compensation 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.

2. REPORT JUSTIFICATION

The Report is issued in accordance with and for the purposes laid down in recommendation 6 of the Code of Good Governance of Listed Companies and in section 11 of the Technical Guide 1/2019 on Appointments and Compensation Committees.

3. REPORT RECIPIENTS

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

4. COMMITTEE REGULATION

The regulation of the Committee is contained, in general and principally, in the Corporate Enterprises Act, the Company’s Bylaws and the Board Regulations and the Regulations of the Appointments and Compensation 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.

5. COMPOSITION OF THE COMMITTEE

Appendix 1 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. 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 5, the content of the guidelines mentioned in Section 10 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.

6. MEETINGS HELD

The Committee held three meetings during the year to discuss the tasks described in section seven below. The executive director Fermin del Rio Sanz de Acedo, who acted as secretary of the Committee, also participated in the meetings.

7. DESCRIPTION OF THE ACTIVITIES CARRIED OUT

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

A) *Regarding appointments*

a) *Selection of Directors.*

As a consequence of the reflection that the Committee started already in 2019 regarding the composition of the Board of Directors of the Company, and to the extent that the directors Carlos Solchaga Catalán and Ángel Ochoa Crespo would leave office at the end of 2021, the Committee has proceeded to search for alternatives for the election of new independent members of the Board of Directors, assessing the incorporation of independent members in the Board as well as the adoption of measures to strengthen the number of women, underrepresented in the Board of Directors. Thus, the incorporation of Elena Orbegozo Laborde and María Eugenia Girón Dávila as new members of the Company's Board of Directors was proposed. The General Meeting of Shareholders ratified this designation in April 2022.

Likewise, the Committee has reported favorably on the appointment by co-optation of Abanti Sankaranarayanan, representing the shareholder Mahindra & Mahindra Group, since the director Suman Mishra tendered her resignation upon leaving her executive functions in the aforementioned group.

Regarding compensation

b) *Approval of a new remuneration policy of directors*

The Committee has been instructed by the Board to design a new director compensation policy for the 2024- 2026 period, to be in effect as of the 2023 Ordinary General Meeting.

In this context, the Committee was also asked to design an extraordinary and non-consolidable compensation scheme to be received by the Chief Executive Officer on the basis that the design of the compensation policy applicable to the Chief Executive Officer had not met its objectives as a result of market circumstances influenced by geopolitical, business and pandemic-related issues.

In this regard, the Committee proposed in December 2022 an extraordinary compensation scheme for the Chief Executive Officer that also involves an adjustment of the long-term incentive scheme based on the performance of the share price, which implies an increase in the minimum value from which it can be paid in the future.

c) *Directors' Compensation Scheme*

The Committee analyzed the proposed executive compensation scheme, discussed it and reported positively on its subsequent approval by the Board of Directors. It has also reported favorably to the Board of Directors on the contractual conditions of certain members of senior management in respect of whom decisions have been taken, as well as on the following (i) the extension of the multi-year plan for the participation of executives in the

capital stock of the company for five additional years and (ii) the incorporation of a number of additional executives to the plan.

d) *Proposed annual remuneration of directors in relation to 2023.*

The Committee analyzed the proposal for the annual remuneration of directors in relation to 2023 year, discussed it and reported positively on its subsequent approval by the Board of Directors.

e) *Review of the proposed targets for the annual variable compensation corresponding to 2022 applicable to both the CEO and the rest of the executives.*

The Committee reviewed the proposed targets for the annual variable compensation for 2022 applicable to the CEO.

B) Periodic reporting.

a) *Annual Report on Directors' Compensation.*

The Committee analyzed the proposed Annual Report on Directors' Compensation, discussed it and reported positively on its subsequent formulation by the Board of Directors.

b) *Annual Corporate Governance Report.*

The Committee analyzed the proposed Annual Corporate Governance Report (within the scope of its functions), discussed it and reported positively on its subsequent formulation by the Board of Directors.

C) Board assessment

The Committee has had the Board of Directors assessed through an external expert.

8. 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. The external expert has assessed the performance of the Board of Directors, pointing out specific areas of improvement for the functioning of the committees.

9. INFORMATION ON WHAT PRACTICAL GUIDELINES ARE BEING FOLLOWED

The Committee follows Technical Guide 1/2019 on Appointments and Compensation Committee. 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.

10. SIGNIFICANT DEVIATIONS WITH RESPECT TO THE PROCEDURES ADOPTED OR IRREGULARITIES THAT HAVE BEEN REPORTED IN WRITING TO THE BOARD ON MATTERS WITHIN THE COMMITTEE'S COMPETENCE.

There have been no such deviations

11. 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 2022. 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.

12. DATE OF FORMULATION

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

13. DATE OF PRESENTATION

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



14. 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 presentation to the Board of Directors.

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Bilbao, February 24, 2023

Appointments and Compensation Committee.

APPENDIX 1

COMPOSITION OF THE APPOINTMENTS AND COMPENSATION COMMITTEE DURING THE YEAR

Director	Category	Job Title	Seniority on the Committee
Members of the Committee at December 31, 2021, following the amendments of December 15, 2021			
Arantza Estefania Larrañaga	Independent	Chair	She was appointed member and Chair on December 15, 2021
Francisco Riberas Mera	Proprietary	Member	Since October 27, 2010.
Elena Orbegozo Laborde	Independent	Member	She was appointed to the Committee on December 15, 2021
María Eugenia Girón Dávila	Independent	Member	She was appointed to the Committee on December 15, 2021