




**CIE** Automotive

Policy on Statutory Auditor  
Contracting and Relations


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	<p>POLICY ON STATUTORY AUDITOR CONTRACTING AND RELATIONS</p>	Code:	CIE CO CP PO 12
		Version:	02
		Page:	2 of 5

## Contents

1. Purpose.....	3
2. Selection, appointment, and removal.....	3
3. Reappointment.....	3
4. Removal.....	4
5. Relations with the external statutory auditor.....	4
6. Independence.....	4
7. Approval of the Policy .....	5

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 <b>CIE Automotive</b>	<b>POLICY ON STATUTORY AUDITOR  CONTRACTING AND RELATIONS</b>	Code:	CIE CO CP PO 12
		Version:	02
		Page:	3 of 5

## 1. Purpose

The Board of Directors (“**Board**”) of CIE Automotive, S.A. (the “**Company**”, and collectively with the companies belonging to its corporate group, the “**Group**”) is issuing this policy on statutory auditor contracting and relations (the “**Policy**”) for the purpose of ensuring that when the Company contracts with an external statutory auditor, it selects an independent firm with the technical capabilities needed to complete the work in an effective and responsible way, in conformity with all applicable laws and standards.

This Policy governs selection, appointment (and where applicable, reappointment), and removal of the auditor used for the Company’s standalone financial statements, and for the consolidated financial statements for the Group. It also establishes the framework for maintaining relations with that auditor and the procedure for evaluating the auditor’s activities.

## 2. Selection, appointment, and removal

The General Shareholders’ Meeting is responsible for appointment, reappointment, and removal of the statutory auditor that must audit the Company’s standalone financial statements and the consolidated financial statements for the Group.

The Board must submit all proposals on appointment, reappointment, or removal of that statutory auditor to the General Shareholders’ Meeting for its approval, after first obtaining a favourable report from the Audit and Compliance Committee (the “**Committee**”).

The Committee must establish the minimum requirements that a firm must meet before being appointed as the Company’s statutory auditor, as well as the most appropriate selection and contracting procedure. That procedure must be impartial, transparent, efficient, and non-discriminatory, and where applicable, it may be based on competitive tendering by the various candidate firms to ensure compliance with the requirements listed above. A firm’s ability to provide additional services other than statutory auditing must not be used as a selection requirement.

Under all circumstances, the Committee must ensure that there is strict compliance with the legislation that applies to selecting and contracting with statutory auditors, in particular with regard to equal treatment of the candidate firms.

The Committee must not propose to the Board the appointment of any statutory auditing firm for the Company if there is evidence that that firm is in any situation of lack of independence, prohibition, or incompatibility in conformity with the legislation on statutory auditing.


## 3. Reappointment

Before the end of the financial year in which the Company’s appointment of its statutory auditor is going to expire, the Committee must perform an analysis regarding whether that firm should be reappointed, or whether instead, the selection procedure should be initiated in order to appoint a new auditor, in conformity with the contents of the previous section.

When performing that analysis, the Committee must consider the results of the annual independence evaluation and the quality of the statutory auditor’s work performed for the Company, as well as the temporal and quantitative limits established in the applicable legislation.

The Committee must then submit its proposal regarding reappointment of the auditor to the Board, so that the Board can in turn submit it to the General Shareholders’ Meeting.

<b>Issued and reviewed:</b> Audit and Compliance Committee	<b>Approved:</b> Board of Directors	<b>Date:</b> February 2024
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	<p>POLICY ON STATUTORY AUDITOR CONTRACTING AND RELATIONS</p>	Code:	CIE CO CP PO 12
		Version:	02
		Page:	4 of 5

#### 4. Removal

The Committee may only submit a proposal to the Board to remove the statutory auditor, for subsequent submission of that proposal to the General Shareholders' Meeting, when doing so is allowed by the applicable legislation.

#### 5. Relations with the external statutory auditor

The Committee must act as a communication channel between the Board and the statutory auditor. The Committee must maintain objective, professional, and continual two-way relations with the Company's statutory auditor, while respecting the auditor's independence at all times. At its meetings scheduled during each year, the Committee must address all matters that could influence the audit opinion or the auditor's independence.

The Committee must also confirm compliance with the statutory auditor's audit plan, and for this purpose, it must receive regular reporting from the statutory auditor regarding that plan and the results of its execution.

In addition, as a result of its work, the statutory auditor must submit an annual report to the Committee with its recommendations.

The Committee must follow up on and monitor the recommendations proposed by the statutory auditor, and may request the auditor's collaboration when considered necessary. In addition, the statutory auditor must give the Committee an explanation about how it has addressed the risks encountered.

#### 6. Independence

The Committee must ensure that the Company's statutory auditor is independent, and that its independence is being demonstrated during its relations with the Company. In relation to this, before any contracts are entered into with the auditor, or with any member of its network, for providing any services other than the auditing services for the Company or for any companies from the Group, the Committee must authorise those contracts, after performing individual and global analyses regarding the threats that those contracts could produce in relation to the auditor's independence. For this purpose, the Committee must perform ongoing communications and coordination with the audit and compliance committees from the Group's other companies.


Before the Committee approves any provision by the auditor of services other than the statutory auditing services, it must evaluate the aspects contained in the Audit Committee Rules.

As an exception to the above, the statutory auditor will be allowed to perform audits or reviews limited to any interim financial statements covering a period of less than one year and issued in compliance with the legislation in force.

The Committee must also be immediately informed regarding any contracting of auditing or non-auditing services with firms that perform statutory auditing at any of the Group's companies, with a sufficient level of detail included to allow performance of an effective, global analysis of the repercussions that contracting those services could have with regard to independence, from an individual and collective perspective.

Each year, the Committee must receive a certification of independence from the Company's statutory auditor, which must cover the audit firm as a whole and also the team members who participate in the process for auditing the Group's annual financial statements, stating that they

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 <b>CIE Automotive</b>	<b>POLICY ON STATUTORY AUDITOR  CONTRACTING AND RELATIONS</b>	Code:	CIE CO CP PO 12
		Version:	02
		Page:	5 of 5

remain independent from the Company and all of its directly or indirectly connected companies. It must also include detailed, individualised information about any additional services (other than statutory auditing) of any type provided to those companies by the statutory auditor, or by any persons or companies connected to the statutory auditor, all in accordance with the legislation on statutory auditing. Also, in the annual certification submitted to the Committee, the statutory auditor must provide information on its compliance with the internal procedures existing in relation to quality assurance and safeguarding independence.

## **7. Approval of the Policy**

This Policy was approved by the Board and entered into force on that same date. It may only be modified by means of a new resolution expressly passed by that management body, which will be responsible for the necessary distribution.

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