



#### ISSUER'S IDENTIFICATION DATA

Reference year end date: 12/31/2021

Tax identification number: A-20014452

Corporate name:

**CIE AUTOMOTIVE, S.A.**

Registered office:

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

## **A. THE COMPANY'S REMUNERATION POLICY FOR THE YEAR IN COURSE**

**A.1.1** Explain the directors' remuneration policy in force for the year in course. As far as relevant, certain information may be included by reference to the remuneration policy approved by the general shareholders meeting, provided that the inclusion is clear and specific.

The specific decisions for the year in course on directors' remuneration, both in their capacity as such and for performing executive functions, made by the board in accordance with the contracts signed with executive directors and the remuneration policy approved by the general meeting should be described.

In any case, information should be given on at least the following aspects:

- a) Description of the procedures and bodies within the company involved in establishing and approving the remuneration policy and its terms.
- b) Indicate and, as applicable, explain whether comparable companies have been examined to establish the company's remuneration policy.
- c) Information on whether an external adviser has been engaged and, if so, their identity.
- d) Procedures envisaged in the current director remuneration policy to apply temporary exceptions to the policy, the conditions under which those exceptions may occur, and members who may be granted an exception under the policy.

The Board Remuneration Policy applicable to 2022 is the one that the General Shareholders Meeting of May 5, 2021 approved for the period 2021-23 (the "Board Remuneration Policy"). The Board Remuneration Policy aims to establish appropriate remuneration for the engagement and responsibilities assumed by its directors, taking the long-term interest of its shareholders as a reference and always in alignment with the terms of other comparable companies at national and international level.

On the one hand, a fixed annual payment is envisaged as remuneration for the directors in their capacity as such, exclusively for non-executive directors who have a special engagement with the company, that is, (i) the Chairman of the Board and (ii) the independent directors. Remuneration is not given to directors representing substantial shareholders given the nature of their relationship, with the exception of the Chairman of the Board (due to his special engagement). Furthermore, the Chairman of the Board will receive remuneration in kind consisting in the use of a company car.

On the other hand, the following is envisaged as remuneration for the directors with executive functions:

- a) Fixed remuneration for the CEO and the director responsible for corporate transactions and M&A.
- b) Short-term variable remuneration for the CEO linked to certain parameters such as Net Profit and Gross Operating Profit (EBITDA), as detailed below in the corresponding sections of this report.
- c) Long-term variable remuneration for the CEO linked to him remaining in the CIE Automotive Group over the next 10 years and based on the increase in the value of the company's shares in accordance with the following formula: (Incentive in each Reference Period = 1,450,000 x (Share Price - Initial Value), as detailed below in the corresponding sections of this report.

The Appointments and Remuneration Committee is the body holding the powers to propose the passing of resolutions on the proposal on establishing the directors' remuneration policy, in accordance with the Board Regulation and the Appointments and Remuneration Committee Regulation. The body responsible for proposing the Board Remuneration Policy is, therefore, the Appointments and Remuneration Committee,

which subsequently escalates its proposal to the Board. The Board is responsible for approving whether or not to submit the Appointments and Remuneration Committee's proposal to the final approval of the General Shareholders Meeting, in accordance with the applicable legal and statutory regulations. Lastly, the General Meeting is the one that must approve the Board Remuneration Policy.

Regarding temporary exceptions to the Board Remuneration Policy, the policy stipulates that the Appointment and Remuneration Committee may make proposals to have the Board make adjustments to the amounts, elements, criteria, thresholds and limits of the executive directors' pay in exceptional circumstances motivated by extraordinary internal or external factors or facts. The details and justification for those adjustments will be included in the corresponding Annual Board Remuneration Report.

No external advisors took part in preparing the Board Remuneration Policy, but it was prepared based on previous policies and the experience and knowledge of the members of the Appointments and Remuneration Committee in relation to the topic and to the specific circumstances of the company and its group.

**A.1.2** Relative importance of the variable remuneration items with regard to the fixed items (remuneration mix) and what criteria and objectives have been taken into account in establishing them and to guarantee an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt it to the company's long-term objectives, values and interests, which will include, as applicable, a reference to the measures envisaged to guarantee that the company's long-term results, the measures adopted in relation to specific categories of staff whose professional activities have a material impact on the entity's risk profiles and measures envisaged to avoid conflicts of interest are taken into account in the remuneration policy.

Also indicate whether the company has established any accrual or consolidation period for certain variable remuneration items paid in cash, shares or other financial instruments, a deferment period in paying amounts or delivering financial instruments already accrued and consolidated, or whether any clause reducing the deferred remuneration not yet consolidated or requiring the director to return remuneration received has been agreed, when that remuneration has been established based on data later proved to be clearly inaccurate.

Under the Board Remuneration Policy and with the approval of the Ordinary General Shareholders Meeting held on April 24, 2018 of the long-term incentive plan based on the evolution of the company's share price (as that approval was amended under a resolution passed under item 7 on the agenda of the General Shareholders Meeting of May 5, 2021), the variable components are reserved, in the context of the Board, to the CEO, based on the following essential goal: ensuring the loyalty, commitment, incentive and motivation of the CEO of the CIE Automotive Group over a ten (10) year period (until 2028). That amendment was brought about by the need to adjust the reality of the incentive to the market conditions arising from the volatility resulting from the economic and health crisis resulting in turn from Covid-19, with the aim of adjusting the reference periods and the conditions under which the CEO can exercise the right to the incentive by extending them and adjusting the payment terms of the incentive. A more detailed description of this long-term incentive plan based on share price performance is set out in section B7. We refer to this section for the details of the incentive.

This being the case, the variable elements will be as follows:

(a) Short-term variable remuneration

The objectives to which the CEO's variable remuneration will be linked in the year in course will be related to parameters such as the Net Profit and the Net Operating Profit (EBITDA) approved by the Board in the annual budget. The amount of the short-term variable remuneration may not exceed 100% of the fixed remuneration. The Board will determine the degree to which the short-term variable remuneration has been earned and its corresponding amount, at the Appointments and Remuneration Committee's proposal after verifying the degree of compliance with the established parameters.

**(b) Long-term variable remuneration**

Long-term variable remuneration is envisaged for the CEO based on the evolution of the share price, in the terms approved by the Ordinary General Shareholders Meeting of April 24, 2018 and amended by the Ordinary General Shareholders Meeting of May 5, 2021.

Subject to its final economic establishment, it is an incentive under which the CEO will be entitled to receive a bonus equivalent to the difference between a reference price and the share price in each exercise window, multiplied by a number of units, also determined by the General Shareholders Meeting.

The General Shareholders Meeting has established a series of exercise windows that will consolidate the right to be paid the incentive on the basis of the share price's evolution up to that date and, if it is exercised, to define the reference value of the next window at the amount at which the previous window was exercised.

In relation to the windows in which the CEO may exercise his right to the incentive, as a result of the amendment approved by the Ordinary General Shareholders Meeting held on May 5, 2021, a greater number of windows were opened over the remaining period and the quantitative limits that applied to these windows originally were eliminated, all based on the above need to adjust the reality of the incentive to the changing circumstances of the macroeconomic environment derived from the pandemic and following a favorable report from the Appointments and Remuneration Committee. With regard to reducing exposure to excessive risks, the remuneration is adjusted to the circumstances and excessive risks are mitigated in two ways: first, the long-term variable remuneration depends on the generation of value for the Company's shareholders through its link to the share price (and this value will reflect, as applicable, that the most basic objectives have been achieved). The long-term objective of the Company and the long-term interest of the variable remuneration are thus aligned.

Second, and despite this, in accordance with the proposal formulated, as applicable, by the Appointments and Remuneration Committee, the Board has the power to claim the repayment of the remuneration already paid under the permanence commitment from the CEO (claw-back clauses). Moreover, additional claim measures may be established in special situations such as fraud and serious infringement of the law.

**A.1.3 Amount and nature of the fixed components it is envisaged directors will accrue in the year in their capacity as such.**

Pursuant to the resolution of the Board of Directors, following a favorable report from the Appointments and Remuneration Committee, and subject to the approval of the maximum amount by the General Shareholders Meeting, the fixed components of the remuneration of the directors in their capacity as such foreseen for the current year are as follows:

- Chair of the Board: 1,250 thousand euros;
- Independent Members of the Board: 100 thousand euros.

**A.1.4 Amount and nature of the fixed components that will be accrued in the year for performing executive directors' senior management functions.**

The fixed components of the executive directors' remuneration for performing their functions for the year in course are as follows:

- CEO: 600 thousand euros;
- Director in charge of corporate transactions and M&A: 220 thousand euros.

**A.1.5** Amount and nature of any component of remuneration in kind that will be accrued in the year, including but not limited to the insurance premiums paid in favor of the director.

The Chairman of the Board, the CEO and the director in charge of corporate transactions and M&A will have the use of a company car, which is classified as remuneration in kind.

**A.1.6** Amount and nature of the variable components, distinguishing between those established in the short and long term. Financial and non-financial parameters, including social, environmental and climate-change parameters, selected to determine the variable remuneration in the year in course; explanation of to what extent those parameters are related to the performance, both of the director and of the entity, and to their risk profile, and the methodology, required period and techniques envisaged to determine the effective degree of compliance with the parameters used in designing the variable remuneration at the end of the year, explaining the criteria and factors applied with regard to the time required and methods to check that the performance or any other type of conditions to which the accrual and consolidation of each variable remuneration component was linked have been effectively met.

Indicate the range of the different variable components in monetary terms in accordance with the compliance with the established objectives and parameters, and whether there is any maximum pecuniary sum in absolute terms.

The variable elements for the year in progress will be as follows:

(a) Short-term variable remuneration

Remuneration is envisaged for the CEO conditional upon achieving certain parameters such as the Net Profit and the Net Operating Profit (EBITDA) approved by the Board in the annual budget. In any case, that remuneration may not exceed 100% of the fixed remuneration. The Board will, at the proposal of the Appointments and Remuneration Committee (which will have verified the degree of compliance with the established parameters), determine the degree of compliance for the purposes of short-term variable remuneration and the corresponding amount.

(b) Long-term variable remuneration

Long-term variable remuneration is envisaged for the CEO based on the evolution of the share price. Subject to its final economic establishment, it will be an incentive under which the CEO will be entitled to receive a bonus equivalent to the difference between a reference price and the share price in each exercise window, multiplied by a number of units determined by the General Shareholders Meeting. The General Meeting has established a series of exercise windows that will consolidate the right to receive the incentive based on the evolution of the share price up to that date and, in case of exercise, the reference value for the following window will be set at the amount at which the previous window has been exercised. Point B7 contains a more detailed description of this long-term incentive plan based on the evolution of the share price. We refer to that section with regard to the details of the incentive plan.

From a quantitative viewpoint and simulating the current exercise of all the remuneration at the set date of December 31, 2021 (at the closing share price on that date and considering the reference value of the price as explained in section B.7), the amount of the remuneration would be 2,885 million euros.

The CEO's variable remuneration does not contain non-financial elements such as social, environmental, and climate-change components within the calculation parameters.

**A.1.7** Main characteristics of the long-term savings systems. Among other information, indicate the contingencies covered by the system, whether it is a defined-contribution or -benefit system, the annual contribution that must be made to the defined contribution systems, the conditions for consolidation of the economic rights in favor of the directors and their compatibility with any type of payment or compensation for termination or early termination or derived from the end of the contractual relationship in the terms envisaged between the company and the director.

It should be indicated whether the accrual or consolidation of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the director's short- or long-term performance.

There is no remuneration of that type.

**A.1.8** Any type of payment or compensation for termination or early termination or derived from the end of the contractual relationship in the terms envisaged between the company and the director, whether the termination is at the will of the company or the director, as well as any type of covenants agreed, such as exclusivity, post-contractual non-competition and permanence or loyalty, which entitle the director to any type of earning.

The CEO is entitled to receive amounts for the following items:

(i) Non-compete covenant

Given his degree of knowledge of the design and execution of the Company's strategy and business plans, in any case, the CEO's contract establishes a non-compete obligation in relation to companies and activities of a similar nature during the term of his relationship with the Company for three (3) years after leaving the company. As consideration for these commitments, the CEO will receive net remuneration of 650 thousand euros per annum that he must repay to the company if he terminates his relationship with it early.

(ii) Permanence bonus and exclusivity covenant

The CEO assumes an exclusivity and permanence commitment for at least a period of ten years. As consideration for these commitments, the CEO will receive net remuneration of 650 thousand euros per annum that he must repay to the company if he terminates his relationship with it early.

Furthermore, if the contractual relationship is terminated at the company's decision, the CEO will be entitled to receive the full amounts included in the non-compete covenant, the permanence and exclusivity bonus, the long-term variable remuneration and compensation in an amount equal to the fixed and short-term variable remuneration received in the previous year. All of this will apply unless the reason for the termination is (i) serious breach by the CEO of the obligations established in the contract or (ii) breach of ethical or regulatory obligations (securities market, competition, etc.).

**A.1.9** Indicate the terms that the contracts of those exercising senior management functions as executive directors must respect. Among other factors, information should be given on the duration, limits on compensation amounts, permanence clauses, notice periods, as well as payment in lieu of notice, and any other clauses on hiring bonuses, as well as compensation or golden parachutes in case of early termination or end of the contractual relationship between the company and the executive director. Include, among others, non-compete, exclusivity, permanence, or loyalty and post-contractual non-compete covenants or agreements, unless they have been explained in the foregoing section.

The essential characteristics of the CEO's contract are as follows:

(i) Term

The contract is open ended and may be freely terminated by the company at any time with no need to give notice and with the compensation-related consequences indicated in section A.1.8 above. The CEO may freely terminate the contract and resign from his position at any time giving at least three months' notice, in which case he must repay the amount corresponding to the non-compete and permanence covenant described above.

(ii) Applicable regulations

The applicable regulations are those envisaged under Spanish law at any given time.

(iii) Non-compete covenant

Given his degree of knowledge of the design and execution of the Company's strategy and business plans, in any case, a non-compete obligation is established in relation to companies and activities of a similar nature during the term of his relationship with the Company and subsequently for a period of three (3) years. As consideration for these commitments, the CEO will receive remuneration that he must repay to the company if he terminates his relationship with it early.

(iv) Permanence bonus and exclusivity covenant

The CEO assumes an exclusivity and permanence commitment for at least a period of ten years. As consideration for these commitments, the CEO will receive remuneration that he must repay to the company if he terminates his relationship with it early.

(v) Confidentiality and return of documents

A strict duty of confidentiality is established for executive directors both during the term of their contracts and after they are terminated. Furthermore, upon ending their relationship with the company, executive directors must return the documents and items related to their activity that they have in their possession to the company.

(vi) Ethical duties

Executive directors must conduct themselves within the duties of good faith and loyalty, refraining from participating, directly or indirectly, in situations that could give rise to a conflict of interest between their personal interests and those of the company.

**A.1.10** The nature and estimated amount of any other supplementary remuneration that the directors will accrue in the year in course as consideration for services rendered other than those inherent to their position.

In addition to the fixed remuneration, the director in charge of corporate transactions and M&A is entitled to receive a percentage (0.25%) of the value (enterprise value) of the company effectively acquired in each company acquisition transaction, with a maximum of 800 thousand euros per transaction.

**A.1.11** Other remuneration items such as those derived, as applicable, from the company granting the director advances, loans and guarantees, and other remuneration.

n/a

**A.1.12** The nature and estimated amount of any other supplementary remuneration envisaged that is not included in the foregoing sections, whether paid by the entity or another entity of the group, which will be accrued by the directors in the year in course

n/a

**A.2.** Explain any relevant change in the remuneration policy applicable in the year in course derived from:

- a) A new policy or an amendment to the policy already approved by the General Meeting.
- b) Relevant changes in the specifications established by the board for the year in course on the current remuneration policy with regard to those applied in the previous year.
- c) Proposals that the board has resolved to submit to the general shareholders meeting to which this annual report will be submitted and that it is proposed to apply to the year in course.

The Board Remuneration Policy applicable to 2022 is the same as the one approved for 2021-23 by the General Shareholders Meeting of May 5, 2021, which was already in force in 2021.

**A.3.** Identify the direct link to the document recording the company's current remuneration policy, which must be available on the company's website.

<https://cieautomotive.com/web/investors-website/remuneraciones-de-los-consejeros>

**A.4.** Taking into account the data provided in section B.4, explain how the shareholders' vote at the general meeting to which the annual remuneration report for the previous year was submitted for a vote on a consultative basis has been taken into account.

Insofar as the Annual Remuneration Report 2020 has been approved, on a consultative basis, with 76.2080% of the votes in favor, 23.4001% of the votes against and 0.3917% abstentions, no action has been considered in relation to the Board Remuneration Policy



## **B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED**

- B.1.1** Explain the process followed to apply the remuneration policy and establish the individual remuneration reflected in section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the board and, as applicable, the identity and role of the external advisers whose services have been used in the process of applying the remuneration policy in the year ended.

The Appointments and Remuneration Committee is the body holding the powers to propose the Board Remuneration Policy and the passing of resolutions on directors' remuneration, in accordance with the Board Regulation and the Appointments and Remuneration Committee Regulation, and the functions assigned to it in them. It is up to the Board to approve the Appointments and Remuneration Committee's proposals, including the proposal to submit the Board Remuneration Policy to the approval of the General Shareholders Meeting.

Within the functions assigned to it in the Board Regulation and the Appointments and Remuneration Committee Regulation, and the functions assigned to it in them, the Appointments and Remuneration Committee organizes its operation based on a schedule of annual meetings and a specific agenda for each of them, although additional meetings may be held in accordance supervening and unforeseen circumstances.

With regard to the way in which the Appointments and Remuneration Committee deliberates on the application of the Board Remuneration Policy, in an initial phase, the Chairman of the Board meets with the members of the Appointments and Remuneration Committee and presents his view on directors' remuneration for the year based on the current Board Remuneration Policy. After obtaining this first opinion, the Appointments and Remuneration Committee members deliberate on the decisions to be adopted and, in the meeting ordinarily held in December, they pass the directors' remuneration proposals for the year to the Board of Directors, which are then discussed and approved (as applicable) in the December Board meeting.

Neither the Board nor the Appointments and Remuneration Committee has engaged external advisers in exercising these functions.

- B.1.2** Explain any deviations from the procedure established for the application of the remuneration policy that occurred during the financial year.

No such circumstances occurred in the reporting period.

- B.1.3** State whether any temporary exceptions to the remuneration policy have been applied and, if they have been applied, explain the exceptional circumstances that led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity considers that these exceptions were necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also, quantify the impact that applying these exceptions had on the remuneration of each director in the financial year.

No such circumstances occurred in the reporting period.

- B.2.** Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing the exposure to excessive risks and adapting it to the company's long-term objectives, values and interests, including a reference to the measures adopted to guarantee that the company's long-term results have been taken into account in the remuneration accrued and an adequate balance has been struck between the fixed and variable remuneration components, what measures have been taken in relation to

specific categories of staff whose professional activities have a material impact on the entity's risk profiles, and what measures have been taken to avoid conflicts of interest, as applicable.

With regard to reducing exposure to excessive risks, the remuneration is adjusted to the circumstances and excessive risks are mitigated in two ways.

First, the long-term variable remuneration depends on the generation of value for the Company's shareholders through its link to the share price (and this value will reflect, as applicable, that the most basic objectives have been achieved). The long-term objective of the Company and the long-term interest of the variable remuneration are thus aligned.

Second, and despite this, the Board (in accordance with the proposal formulated, as applicable, by the Appointments and Remuneration Committee) has the power to claim the repayment of the remuneration already paid under the permanence commitment from the CEO (claw-back clauses). Moreover, additional claim measures may be established in special situations such as fraud and serious infringement of the law.

With respect to the adequate balance between the fixed and variable components, it is the Appointments and Remuneration Committee that, in the framework of its ordinary activity, approved the described remuneration scheme and, in so doing, (i) analyzed the different foreseeable scenarios of the variable remuneration, comparing them with the fixed remuneration, and (ii) assessed whether, in each of the foreseeable scenarios, adequate proportionality was maintained between the fixed and variable remuneration in both directions, that is, that the proportion of fixed remuneration to variable remuneration is not excessive in scenarios of poor performance of the Company, and that the proportion of variable remuneration to fixed remuneration is not excessive in scenarios of good performance of the Company.

With regard to avoiding conflicts of interest, the long-term variable remuneration depends on the generation of value for the Company's shareholders through its link to the share price (and this value will reflect, as applicable, that the most basic objectives have been achieved). The long-term objective of the Company and the long-term interest of the variable remuneration or, in other words, the shareholder's (abstract) interest in the executive are thus aligned *ex ante*.

**B.3.** Explain how the remuneration accrued and consolidated in the year complies with the current remuneration policy, and in particular how it contributes to the company's sustainable performance in the long term.

Also indicate the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as applicable, how the variations in the company's performance have influenced the variation of the directors' remuneration, including that accrued whose payment has been deferred, and how it contributes to the company's short- and long-term results.

The CEO is the only member of the Board of Directors with variable remuneration linked to both short- and long-term performance.

With the prior verification by the Appointments and Remuneration Committee of compliance with the Net Profit and Gross Operating Profit (EBITDA) targets of the annual budget approved by the Board of Directors for 2021, an amount of EUR 525 thousand in short-term variable remuneration has corresponded to the CEO.

As regards long-term variable remuneration, and in accordance with the amendments resolved by the Ordinary General Shareholders Meeting held on May 5, 2021 described above, during 2021 the CEO partially exercised the incentive plan linked to the evolution of the share price, so that an amount for that

remuneration accrued in 2021 amounting to EUR 5,900 thousand, as a result of multiplying 1,450,000 shares by the difference between the share price for partial exercise (EUR 25.37, determined in accordance with the applicable rules) by the base price per share of the long-term incentive plan (EUR 21.30). With this partial exercise, a base share price per share of EUR 25.37 has been fixed for possible further exercises of the incentive.

In view of the partial exercise of the incentive described in section D.1, an amount of EUR 5,900 thousand has accrued in favor of the CEO as long-term variable remuneration.

All of this was made on the basis of measurable and quantifiable parameters linked to the (positive) performance of the company: in the case of short-term variable remuneration, reflected in the Net Earnings and EBITDA for 2021 (targets achieved); in the case of long-term variable remuneration, reflected in the evolution of the company's share price from the base price of the incentive plan to the exercise price (upward trend). Furthermore, all of the above was in accordance with the Board Remuneration Policy and, in relation to the long-term variable remuneration, with the resolutions passed to this effect by the Ordinary General Shareholders' Meeting on April 24, 2018 and May 5, 2021.

The variable remuneration structure mentioned above contributes to the sustainable and long-term performance of the Company by combining both remuneration elements linked to the short- and long-term, and elements linked to the business itself (Net Earnings and EBITDA) and to the value added to the shareholders (evolution of the Company's share price), thus eliminating possible distortions and conflicts.

**B.4.** Indicate the result of the consultative vote in the general meeting on the annual report on remuneration for the previous year, stating the number of votes against.

	Number	% of the total
Votes issued	81,510,176	66.51

	Number	% of the votes issued
Votes against	19,073,494	23.40
Votes in favor	62,117,334	76.21
Null votes		0.00
Abstentions	319,348	0.39

Observations

**B.5.** Explain how the fixed components accrued and consolidated in the year by the directors in their capacity as such have been determined, their proportion in relation to each director, and how they have varied with respect to the previous year.

The Ordinary General Shareholders Meeting of May 5, 2021 resolved to fix the maximum aggregate amount of this remuneration for the year ended December 31, 2021 at EUR 1,620 thousand.

Within that maximum aggregate amount, the fixed components accrued by the directors in their capacity as such in 2021 are those approved by the Ordinary General Shareholders Meeting of May 5, 2021:

(i) EUR 1,200 thousand corresponding to the Chair of the Board of Directors, (ii) EUR 140 thousand corresponding to the Chair of the Appointments and Remuneration Committee and coordinating independent

director, (iii) EUR 100 thousand, corresponding to the Chair of the Audit and Compliance Committee, and (iv) EUR 80 thousand corresponding to the members of the Audit and Compliance Committee, all in annual terms.

These annual amounts have not changed with respect to 2020.

To clarify, in 2021 Arantza Estefanía Larrañaga accrued all of her remuneration as member of the Audit and Compliance Committee (EUR 80 thousand), while in 2020 she only accrued EUR 53,333.33 given her appointment as director on April 29, 2020 and the application of the *pro rata temporis* criterion.

It should be noted that the changes in the Board of Directors on December 15, 2021 have had no impact on the accrual of the remuneration corresponding to the affected directors, whether they are outgoing or incoming or those who have continued with new responsibilities assigned to them.

**B.6.** Explain how the salaries accrued and consolidated in the year ended by each of the executive directors for performance of management functions have been established and how they have varied compared with the previous year.

The fixed components accrued by the executive directors in 2021 are those approved by the Ordinary General Shareholders Meeting of May 5, 2021, and they have not varied in the reference year compared with 2020.

**B.7.** Explain the nature and main characteristics of the variable components of the remuneration systems accrued and consolidated in the year ended.

In particular:

- a) Identify each of the remuneration plans that have established the different variable remuneration accrued by each of the directors during the year ended, including information on its scope, its approval date, implementation date, conditions in case of consolidation, accrual and validity periods, criteria used to assess the performance and how this has impacted on the establishment of the variable amount accrued, as well as the measurement criteria used and the period required to be in a position to appropriately measure all the conditions and criteria stipulated, explaining in detail the criteria and factors applied in terms of time required and methods to check that the performance or any other type of conditions to which the accrual and consolidation of each variable remuneration component was linked have effectively been met.
- b) In case of stock option or other financial instruments plans, the general characteristics of each plan will include information on the conditions both to acquire their unconditional ownership (consolidation) and to be able to exercise those options or financial instruments, including the strike price and exercise period.
- c) Each of the directors, and their category (executive directors, external directors representing substantial shareholders, external independent directors, or other external directors), who are beneficiaries of remuneration systems or plans that include variable remuneration.
- d) As applicable, provide information on the accrual or payment deferment periods established that have been applied and/or the retention/non-disposal periods for shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems:

The CEO is entitled to short-term variable remuneration calculated in relation to compliance with the Net Profit and Net Operating Profit (EBITDA) levels approved by the Board in the annual budget.

After a favorable report from the Appointments and Remuneration Committee, the Board has resolved to grant an amount equal to the fixed remuneration (which in 2021 corresponds to 100% of the fixed remuneration for 2021 (525 thousand euros)), as the Net Profit and EBITDA objectives included in the annual budget approved by the Board have been achieved.

With regard to the approval date, date of implementation or accrual and validity periods, the variable remuneration is annual and framed within the Board Remuneration Policy approved by the Ordinary General Shareholders Meeting of May 5, 2021 for 2021, 2022 and 2023.

Explain the long-term variable components of the remuneration systems:

The CEO (the “Beneficiary”) holds a long-term incentive based on the increase in the value of the Company’s shares, due to his special engagement with the Company (the “Incentive”), in accordance with the following basic characteristics. The incentive plan was partially exercised in the year in question as explained in section D.1.

I.- Objective

The incentive consists in allocating 1,450,000 units to the Beneficiary, which include the option to receive remuneration based on the increase in the value of the same number of shares of CIE Automotive, S.A. over a period of time, taking its share price as a reference and payable in cash.

II.- Beneficiary and number of units

The CEO is the Beneficiary of the Incentive.

The number of calculation units allocated to the Beneficiary of the Incentive will be 1,450,0000.

Those units will be allocated for the sole purposes of calculating the Incentive and will not entail the Beneficiary acquiring the status of shareholder or any other rights related to that status.

III.- Establishment of the Incentive

On the dates indicated below, the Beneficiary will be entitled to receive long-term variable remuneration that will be the amount in euros (€) resulting from applying the following formula:

Incentive in each Reference Period = 1,450,000 x (Share Price - Initial Value) where

- Initial Value is €21.30 per share.

- Share Price is Automotive, S.A.’s average share price in the period of thirty (30) calendar days that the CEO determines, in each Reference Period, as the calculation period for the Incentive.

As an exception to the above, if the Beneficiary exercises the Incentive in the first Reference Period indicated above, the period that will be used as the reference period to determine the Share Price will be the thirty (30) calendar day period from January 1, 2021 to June 30, 2021.

For the purposes of the calculation, the average share price will be calculated by dividing the sum of the cash traded in shares of CIE Automotive in the reference period of thirty (30) calendar days and the sum of the total number of securities traded on the Bilbao, Madrid, Barcelona, and Valencia stock exchanges during the stated reference period of thirty (30) calendar days.

The Reference Period corresponds, at the election of the Beneficiary, to the thirty (30) calendar day period referred to above, between any of the following: (i) May 6, 2021 to June 30, 2021; (ii) September 30, 2021 and March 31, 2022; (iii) July 1, 2022 and December 31, 2022; (iv) April 1, 2023 and September 30, 2023; (v) January 1, 2024 and June 30, 2024; (vi) October 1, 2024 and March 31, 2025; (vii) July 1, 2025 and December 31, 2025; (viii) April 1, 2026 and September 30, 2026 and (ix) January 1, 2027 and December 31, 2027.

Consequently, the Beneficiary may exercise the Incentive partially — in the terms indicated below — counting towards its final settlement, within any of the Reference Periods.

For the purposes of exercising the Incentive in each of the Reference Periods, the following circumstances will apply:

In the exercise of the Incentive in each of the Reference Periods subsequent to the first exercise of the Incentive, the Initial Value will be taken as the quotation Value taken for the purpose of calculating the Incentive in the previous Reference Period.

In the event that, at the time of exercise of the Incentive, the Share Price (as defined above) is lower than the Initial Price (or the Incentive exercise value in the previous Reference Period in which the Incentive was partially exercised), the CEO will not be entitled to receive any Incentive in that Reference Period, without prejudice to the possibility of exercising the Incentive in the following Reference Periods (a right that is not waived due to not being able to exercise the Incentive in any Reference Period).

In this context, the CEO partially exercised the Incentive in 2021, so that an amount accrued in the period for that remuneration amounting to EUR 5,900 thousand, as a result of multiplying 1,450,000 shares by the difference between the price per share for partial exercise (EUR 25.37, determined in accordance with the applicable rules) and the base price per share of the long-term incentive plan (EUR 21.30). With this partial exercise, a base share price of EUR 25.37 per share has been set for any subsequent exercises of the incentive.

#### IV.- Conditions for the settlement of the Incentive

The Beneficiary's right to the Incentive established in this proposal will not be consolidable and will not be automatically extendable.

In no case will the amount received by the Beneficiary, as applicable, under this remuneration scheme be counted as a calculation parameter for possible compensation to which the Beneficiary may subsequently be entitled due to any cause.

The payment of the Incentive regulated in this proposal will take place, in each of the Reference Periods and within thirty (30) calendar days of the date of determination of the corresponding thirty (30) calendar days within the Reference Period, in accordance with section III above.

Consequently, if, before each of the Reference Periods, the Beneficiary voluntarily terminates his relationship with the CIE Automotive Group, the right to receive the remuneration (or, in case of partial exercise in a Reference Period, the rest of the Incentive) referred to in this remuneration proposal will be considered automatically and irrevocably terminated.

Despite this, when the termination of the Beneficiary's relationship is due to

- (i) death; or
- (ii) retirement or early retirement, whether at the Beneficiary's or CIE Automotive's decision; or
- (iii) permanent disability of the Beneficiary; or
- (iv) the unilateral withdrawal of the CIE Automotive Group company by means of a resolution of the General Shareholders Meeting against re-electing the CEO or for his dismissal; or by means of a Board resolution not to propose the renewal or to dismiss the CEO; or

(v) unfair dismissal recognized as such by CIE Automotive, in conciliation or declared as such by a final court ruling, the Beneficiary or his successors will receive the Incentive outstanding early on that termination date, taking as a reference, *mutatis mutandis*, the share price on the termination date or, alternatively, the Incentive end date.

**B.8.** Indicate whether certain variable components accrued have been reduced or reclaimed when the payment of unconsolidated amounts has been deferred or amounts consolidated and paid in accordance with data later proved to be clearly inaccurate have been reclaimed. Describe the amounts reduced or repaid applying the reduction (malus) or repayment (claw-back) clauses, why they have been executed and the years to which they correspond.

No such circumstances have arisen in the year in question.

**B.9.** Explain the main characteristics of the long-term savings systems whose amount or equivalent annual cost is recorded in the tables of Section C, including retirement and any other survivor benefit financed in full or in part by the company, whether provisioned internally or externally, indicating the type of plan, whether it is a defined-contribution or -benefit plan, the contingencies it covers, the conditions for consolidation of the economic rights in favor of the directors and their compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the director.

There is no remuneration of that type.

**B.10.** Explain, as applicable, the compensation or any other type of payment derived from early termination, whether at the decision of the company or the director, or from the termination of the contract, in the terms envisaged in it, accrued and/or received by the directors during the year ended.

No such circumstances have arisen in the year in question.

**B.11.** Indicate whether significant amendments have been made to the contracts of those exercising senior management functions as executive directors and, as applicable, explain them. Also explain the main terms of the new contracts signed with executive directors during the year, unless they have been explained in section A.1.

The only contract that has undergone changes is that of the CEO (the "Beneficiary") the amendments to which were approved by the Ordinary General Shareholders Meeting held on May 5, 2021, which made it necessary to adjust the reality of the long-term incentive plan (the "Incentive") to the market conditions derived from the volatility derived in turn from the economic and health crisis resulting from COVID-19 and aims to adjust the reference periods and the conditions under which the Beneficiary can exercise the right to the Incentive through by extending it and adjusting its payment terms. The main changes made to it were as follows:

- (i) The share price value is equal to the average share price value of CIE Automotive, S.A. shares in the thirty (30) calendar day period that, within each Reference Period, the Beneficiary determines as the calculation period for the purposes of the Incentive.

As an exception to the above, in the event that the Beneficiary exercises the Incentive in the first Reference Period indicated, the period corresponding to the thirty (30) calendar day period that the Beneficiary determines between January 1, 2021 and June 30, 2021 will be taken as the reference period for the determination of the Share Price.

- (ii) For the purposes of the calculation, the average trading price will be calculated by dividing the sum of the cash traded in CIE Automotive shares in the thirty (30) calendar day reference period and the sum of the total volume of shares traded on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges during that thirty (30) calendar day reference period.

The Reference Period corresponds, at the Beneficiary's election, to the thirty (30) calendar day period referred to above, between any of the following dates: (i) May 6, 2021 to June 30, 2021; (ii) September 30, 2021 and March 31, 2022; July 1, 2022 and December 31, 2022; (iv) April 1, 2023 and September 30, 2023; (v) January 1, 2024 and June 30, 2024; (vi) October 1, 2024 and March 31, 2025; (vii) July 1, 2025 and December 31, 2025; (viii) April 1, 2026 and September 30, 2026 and (ix) January 1, 2027 and December 31, 2027.

The Beneficiary may, accordingly, exercise the Incentive partially and - on the terms indicated below -, within any of the Reference Periods.

For the purposes of exercising the Incentive in each of the Reference Periods, the following circumstances will apply:

In the exercise of the Incentive in each of the Reference Periods subsequent to the first exercise of the Incentive, the Initial Value will be taken as the quotation Value taken for the purpose of calculating the Incentive in the previous Reference Period.

In the event that, at the time of exercise of the Incentive, the Share Price (as defined above) is lower than the Initial Price (or the Incentive exercise value in the previous Reference Period in which the Incentive was partially exercised), the CEO will not be entitled to receive any Incentive in that Reference Period, without prejudice to the possibility of exercising the Incentive in the following Reference Periods (a right that is not waived due to not being able to exercise the Incentive in any Reference Period).

- B.12.** Explain any supplementary remuneration accrued by the directors as consideration for services rendered other than those inherent to their position.

No remuneration accrued in this regard in the year in question.

- B.13.** Explain any remuneration derived from granting advances, loans and guarantees, indicating the interest rate, their essential characteristics and the amounts eventually repaid, as well as the obligations assumed under them as guarantee.

No remuneration accrued in this regard in the year in question.

- B.14.** Detail the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the different salary components.

The Chair of the Board: remuneration due to use of vehicle in the amount of 9,468.36 euros (with a payment on account paid by the employer of 4,639.50 euros).

The CEO: remuneration due to use of vehicle in the amount of 11.145,57 euros (with a payment on account paid by the employer of 5,461.33 euros).

The Director in Charge of Corporate Transactions and M&A: remuneration due to use of vehicle in the amount of 10,075.14 euros (with a payment on account paid by the employer of 4,936.82 euros).

- B.15.** Explain the remuneration accrued by the director under the payments the listed company makes to a third-party entity in which the director renders services when those payments are to remunerate their services to the company.



There is no remuneration accrued for this item in the year.

- B.16.** Explain and detail the amounts accrued during the year in relation to any other remuneration item other than the above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a connected-party transaction or, especially, when it has a significant effect on the accurate image of the total remuneration accrued by the director, explaining the amount granted or pending payment, the nature of the consideration received and the reasons why it was considered, if applicable, that it does not constitute remuneration to directors in their capacity as such or in consideration for the performance of their executive duties, and whether or not it has been considered appropriate to be included among the amounts accrued under the "other items" in section C.

The CEO has accrued an amount of 2,549 thousand in the reference year as non-compete covenant and permanence and exclusivity bonus (as those items have been explained in section 8 of heading A1).

**C. DETAILS OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS**

Name	Type	2021 accrual period
ARANTZA ESTEFANÍA LARRAÑAGA	Independent Director	From 1/1/2021 to 12/31/2021
ANTONIO MARIA PRADERA JAUREGUI	Chair representing substantial shareholder	From 1/1/2021 to 12/31/2021
FERMIN DEL RIO SANZ DE ACEDO	Vice-Chair representing substantial shareholder	From 1/1/2021 to 12/31/2021
JESUS MARIA HERRERA BARANDIARAN	CEO	From 1/1/2021 to 12/31/2021
JACOBO LLANZA FIGUEROA	Chair representing substantial shareholder	From 1/1/2021 to 12/31/2021
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ BARQUÍN	Chair representing substantial shareholder	From 1/1/2021 to 12/31/2021
FRANCISCO JOSÉ RIBERAS MERA	Director representing substantial shareholder	From 1/1/2021 to 12/31/2021
JUAN MARÍA RIBERAS MERA	Director representing substantial shareholder	From 1/1/2021 to 12/31/2021
MARÍA TERESA SALEGUI ARBIZU	Director representing substantial shareholder	From 1/1/2021 to 12/31/2021
SHRIPRAKASH SHUKLA	Director representing substantial shareholder	From 1/1/2021 to 12/31/2021
SUMAN MISHRA	Director representing substantial shareholder	From 6/9/2021 to 12/31/2021
ELENA MARÍA ORBEGOZO LABORDE	Independent Director	From 12/15/2021 to 12/31/2021
MARÍA EUGENIA GIRÓN DÁVILA	Independent Director	From 12/15/2021 to 12/31/2021
GOIZALDE EGAÑA GARITAGOITIA	Chair representing substantial shareholder	From 1/1/2021 to 5/8/2021
VANKIPURAM PARTHASARATHY	Director representing substantial shareholder	From 1/1/2021 to 5/7/2021
ÁNGEL MANUEL OCHOA CRESPO	Independent Director	From 1/1/2021 to 12/15/2021
CARLOS SOLCHAGA CATALÁN	Independent Director	From 1/1/2021 to 12/15/2021

C.1. Complete the following tables regarding the individualized remuneration of each of the directors (including the remuneration for exercising executive functions) accrued in the year.

a) Remuneration from the company constituting the object of this report:

i) Remuneration accrued in cash (thousand €)

Name	Fixed remuneration	Allowances	Remuneration for membership on board committees	Salary	Variable short-term remuneration	Variable long-term remuneration	Compensation	Other items	Total 2021	Total 2020
ARANTZA ESTEFANÍA LARRAÑAGA	80								80	53
ANTONIO MARIA PRADERA JAUREGUI	1,200							14	1,214	1,214
FERMIN DEL RIO SANZ DE ACEDO				200				15	215	412
JESUS MARIA HERRERA BARANDIARAN				525	525			2,569	3,619	3,616
JACOBO LLANZA FIGUEROA										
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ BARQUÍN										
FRANCISCO JOSÉ RIBERAS MERA										
JUAN MARÍA RIBERAS MERA										
MARÍA TERESA SALEGUI ARBIZU										
SHRIPRAKASH SHUKLA										
SUMAN MISHRA										
ELENA MARÍA ORBEGOZO LABORDE										
MARÍA EUGENIA GIRÓN DÁVILA										
GOIZALDE EGAÑA GARITAGOITIA										
VANKIPURAM PARTHASARATHY										
ÁNGEL MANUEL OCHOA CRESPO	100								100	100
CARLOS SOLCHAGA CATALÁN	140								140	140

Name	Fixed remuneration	Allowances	Remuneration for membership on board committees	Salary	Variable short-term remuneration	Variable long-term remuneration	Compensation	Other items	Total 2021	Total 2020
ARANTZA ESTEFANÍA LARRAÑAGA	80								80	53
ANTONIO MARIA PRADERA JAUREGUI	1,200							14	1,214	1,214
FERMIN DEL RIO SANZ DE ACEDO				200				15	215	412
JESUS MARIA HERRERA BARANDIARAN				525	525			2,569	3,619	3,616
JACOBO LLANZA FIGUEROA										
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ BARQUÍN										
FRANCISCO JOSÉ RIBERAS MERA										
JUAN MARÍA RIBERAS MERA										
MARÍA TERESA SALEGUI ARBIZU										
SHRIPRAKASH SHUKLA										
SUMAN MISHRA										
ELENA MARÍA ORBEGOZO LABORDE										
MARÍA EUGENIA GIRÓN DÁVILA										
GOIZALDE EGAÑA GARITAGOITIA										
VANKIPURAM PARTHASARATHY										
ÁNGEL MANUEL OCHOA CRESPO	100								100	100
CARLOS SOLCHAGA CATALÁN	140								140	140

Observations

The members of the Board of Directors included in this section are all those who were members in 2021, although (i) Mr. Solchaga, Mr. Ochoa, Ms. Egaña and Mr. Parthasarathy stopped being members during 2021 (this is, they were as of January 1, 2021, but they were not as of December 31, 2021); and (ii) Ms. Orbegozo, Ms. Mishra and Ms. Girón were appointed as members of the board of directors during 2021 (this is, they were not as of January 1, 2021, but they were as of December 31, 2021).

ii) Table of movements in the remuneration systems based on shares and gross profit of the shares or financial instruments consolidated.

Name	Name of the Plan	Financial instruments at the start of 2021		Financial instruments granted during 2021		Financial instruments consolidated in the year				Instruments matured and not exercised	Financial instruments at the end of 2021	
		No. instruments	Equivalent no. shares	No. instruments	Equivalent no. shares	No. instruments	Equivalent /consolidated no. shares	Consolidated shares price	Gross profit on consolidated shares or financial instruments (thousand €)	No. instruments	No. instruments	Equivalent no. shares
Mr. JESÚS MARÍA HERRERA BARANDIARÁN	Long-term incentive plan	1,450,000	1,450,000					0.00	5,900		1,450,000	1,450,000

See section D.1 regarding the CEO's partial exercise of the long-term incentive plan.

iii) Long-term savings systems.

Name	Remuneration due to consolidation of rights to savings systems
ANTONIO MARIA PRADERA JAUREGUI	
FERMIN DEL RIO SANZ DE ACEDO	
JESUS MARIA HERRERA BARANDIARAN	
JACOBO LLANZA FIGUEROA	
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ BARQUÍN	
FRANCISCO JOSÉ RIBERAS MERA	
JUAN MARÍA RIBERAS MERA	
MARÍA TERESA SALEGUI ARBIZU	
SHRIPRAKASH SHUKLA	
SUMAN MISHRA	
ELENA MARÍA ORBEGOZO LABORDE	
MARÍA EUGENIA GIRÓN DÁVILA	
GOIZALDE EGAÑA GARITAGOITIA	
VANKIPURAM PARTHASARATHY	
ÁNGEL MANUEL OCHOA CRESPO	
CARLOS SOLCHAGA CATALÁN	

Name	Remuneration due to consolidation of rights to savings systems
ANTONIO MARIA PRADERA JAUREGUI	
FERMIN DEL RIO SANZ DE ACEDO	
JESUS MARIA HERRERA BARANDIARAN	
JACOBO LLANZA FIGUEROA	
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ BARQUÍN	
FRANCISCO JOSÉ RIBERAS MERA	
JUAN MARÍA RIBERAS MERA	
MARÍA TERESA SALEGUI ARBIZU	
SHRIPRAKASH SHUKLA	
SUMAN MISHRA	
ELENA MARÍA ORBEGOZO LABORDE	
MARÍA EUGENIA GIRÓN DÁVILA	
GOIZALDE EGAÑA GARITAGOITIA	
VANKIPURAM PARTHASARATHY	
ÁNGEL MANUEL OCHOA CRESPO	
CARLOS SOLCHAGA CATALÁN	

Name	Company's contribution in the year (thousand €)		Amount of the funds accumulated (thousand €)	
	Savings systems with consolidated economic rights	Savings systems with unconsolidated economic rights	Savings systems with consolidated economic rights	Savings systems with unconsolidated economic rights



**ANNUAL CORPORATE GOVERNANCE REPORT  
OF LISTED LIMITED COMPANIES**

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	2021	2020	2021	2020	2021	2020	2021	2020
ARANTZA ESTEFANÍA LARRAÑAGA								
ANTONIO MARIA PRADERA JAUREGUI								
FERMIN DEL RIO SANZ DE ACEDO								
JESUS MARIA HERRERA BARANDIARAN								
JACOBO LLANZA FIGUEROA								
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ-BARQUÍN								
FRANCISCO JOSÉ RIBERAS MERA								
JUAN MARÍA RIBERAS MERA								
MARÍA TERESA SALEGUI ARBIZU								
SHRIPRAKASH SHUKLA								
SUMAN MISHRA								
ELENA MARÍA ORBEGOZO LABORDE								
MARÍA EUGENIA GIRÓN DÁVILA								



GOIZALDE EGAÑA GARITAGOITIA								
VANKIPURAM PARTHASARATHY								
ÁNGEL MANUEL OCHOA CRESPO								
CARLOS SOLCHAGA CATALÁN								

Observations

iv) Details of other items

Name	Item	Remuneration
Mr. ANTONIO MARÍA PRADERA JAUREGUI	Vehicle in kind	14
Mr. FERMÍN DEL RÍO SANZ DE ACEDO	Vehicle in kind	15
Mr. JESÚS MARÍA HERRERA BARANDIARÁN	Vehicle in kind	20
Mr. JESÚS MARÍA HERRERA BARANDIARÁN	Non-compete covenant and permanence bonus	2,549

Observations

b) Remuneration to directors of the listed company for membership on boards of subsidiaries::

i) Remuneration accrued in cash (thousand €)



**ANNUAL CORPORATE GOVERNANCE REPORT  
OF LISTED LIMITED COMPANIES**

Name	Fixed remuneration	Allowances	Remuneration for membership of board committees	Salary	Variable short-term remuneration	Variable long-term remuneration	Compensation	Other items	Total 2021	Total 2020
ARANTZA ESTEFANÍA LARRAÑAGA										
ANTONIO MARIA PRADERA JAUREGUI										
FERMIN DEL RIO SANZ DE ACEDO										
JESUS MARIA HERRERA BARANDIARAN										
JACOBO LLANZA FIGUEROA										
SANTOS MARTÍNEZ-CONDE GUTIÉRREZ BARQUÍN										
FRANCISCO JOSÉ RIBERAS MERA										
JUAN MARÍA RIBERAS MERA										
MARÍA TERESA SALEGUI ARBIZU										
SHRIPRAKASH SHUKLA										
SUMAN MISHRA										



ELENA MARÍA ORBEGOZO LABORDE										
MARÍA EUGENIA GIRÓN DÁVILA										
GOIZALDE EGAÑA GARITAGOITIA										
VANKIPURAM PARTHASARATHY										
ÁNGEL MANUEL OCHOA CRESPO										
CARLOS SOLCHAGA CATALÁN										

Observations
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The members of the Board of Directors included in this section are all those who were members in 2021, although (i) Mr. Solchaga, Mr. Ochoa, Ms. Egaña and Mr. Parthasarathy stopped being members during 2021 (this is, they were as of January 1, 2021, but they were not as of December 31, 2021); and (ii) Ms. Orbegozo, Ms. Mishra and Ms. Girón were appointed as members of the board of directors during 2021 (this is, they were not as of January 1, 2021, but they were as of December 31, 2021).

- ii) Table of movements in the remuneration systems based on shares and gross profit of the shares or financial instruments consolidated.

Name	Name of the Plan	Financial instruments at the start of 2021	Financial instruments granted during 2021	Financial instruments consolidated in the year	Instruments matured and not exercised	Financial instruments at the end of 2021
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		No. instruments	Equivalent no. shares	No. instruments	Equivalent no. shares	No. instruments	Equivalent /consolidated no. shares	Consolidated shares price	Gross profit on consolidated shares or financial instruments (thousand €)	No. instruments	No. instruments	Equivalent no. shares
No information												

Observations

iii) Long-term savings systems.

Name	Remuneration due to consolidation of rights to savings systems
ARANTZA ESTEFANÍA LARRAÑAGA	
ANTONIO MARÍA PRADERA JAUREGUI	
FERMIN DEL RIO SANZ DE ACEDO	
JESUS MARIA HERRERA BARANDIARAN	
JACOBO LLANZA FIGUEROA	
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ BARQUÍN	
FRANCISCO JOSÉ RIBERAS MERA	
JUAN MARÍA RIBERAS MERA	
MARÍA TERESA SALEGUI ARBIZU	

SHRIPRAKASH SHUKLA	
SUMAN MISHRA	
ELENA MARÍA ORBEGOZO LABORDE	
MARÍA EUGENIA GIRÓN DÁVILA	
GOIZALDE EGAÑA GARITAGOITIA	
VANKIPURAM PARTHASARATHY	
ÁNGEL MANUEL OCHOA CRESPO	
CARLOS SOLCHAGA CATALÁN	

Name	Company's contribution in the year (thousand €)				Amount of the funds accumulated (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	2021	2020	2021	2020	2021	2020	2021	2020
ARANTZA ESTEFANÍA LARRAÑAGA								
ANTONIO MARIA PRADERA JAUREGUI								
FERMIN DEL RIO SANZ DE ACEDO								
JESUS MARIA HERRERA BARANDIARAN								
JACOBO LLANZA FIGUEROA								
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ- BARQUÍN								



FRANCISCO JOSÉ RIBERAS MERA								
JUAN MARÍA RIBERAS MERA								
MARÍA TERESA SALEGUI ARBIZU								
SHRIPRAKASH SHUKLA								
SUMAN MISHRA								
ELENA MARÍA ORBEGOZO LABORDE								
MARÍA EUGENIA GIRÓN DÁVILA								
GOIZALDE EGAÑA GARITAGOITIA								
VANKIPURAM PARTHASARATHY								
ÁNGEL MANUEL OCHOA CRESPO								
CARLOS SOLCHAGA CATALÁN								

Observations
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iv) Details of other items

Name	Item	Remuneration
ARANTZA ESTEFANÍA LARRAÑAGA	Item	
ANTONIO MARIA PRADERA JAUREGUI	Item	
FERMIN DEL RIO SANZ DE ACEDO	Item	
JESUS MARIA HERRERA BARANDIARAN	Item	
JACOBO LLANZA FIGUEROA	Item	
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ BARQUÍN	Item	
FRANCISCO JOSÉ RIBERAS MERA	Item	
JUAN MARÍA RIBERAS MERA	Item	
MARÍA TERESA SALEGUI ARBIZU	Item	
SHRIPRAKASH SHUKLA	Item	
SUMAN MISHRA	Item	
ELENA MARÍA ORBEGOZO LABORDE	Item	
MARÍA EUGENIA GIRÓN DÁVILA	Item	
GOIZALDE EGAÑA GARITAGOITIA	Item	
VANKIPURAM PARTHASARATHY	Item	
ÁNGEL MANUEL OCHOA CRESPO	Item	
CARLOS SOLCHAGA CATALÁN	Item	

Observations
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c) Summary of remuneration (thousand €)

The summary must include the amounts corresponding to all the remuneration items included in this report that have been accrued by the director, in thousands of euros.

	Remuneration accrued in the company	Remuneration accrued in group companies	
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Name	Total cash remuneration	Gross profit on consolidated shares or financial instruments	Remuneration from savings systems	Remuneration from other items	Total company 2021	Total cash remuneration	Gross profit on consolidated shares or financial instruments	Remuneration from savings systems	Remuneration from other items	Total group 2021	Total 2021 company + group
ARANTZA ESTEFANÍA LARRAÑAGA	80				80						80
ANTONIO MARIA PRADERA JAUREGUI	1,214				1,214						1,214
FERMIN DEL RIO SANZ DE ACEDO	215				215						215
JESUS MARIA HERRERA BARANDIARAN	3,619	5,900			9,519						9,519
JACOBO LLANZA FIGUEROA											
SANTOS MARTÍNEZ-CONDE GUTIÉRREZ BARQUÍN											
FRANCISCO JOSÉ RIBERAS MERA											



JUAN MARÍA RIBERAS MERA											
MARÍA TERESA SALEGUI ARBIZU											
SHRIPRAKASH SHUKLA											
SUMAN MISHRA											
ELENA MARÍA ORBEGOZO LABORDE											
MARÍA EUGENIA GIRÓN DÁVILA											
GOIZALDE EGAÑA GARITAGOITIA											
VANKIPURAM PARTHASARATHY											
ÁNGEL MANUEL OCHOA CRESPO	100				100						100
CARLOS SOLCHAGA CATALÁN	140				140						140
TOTAL	5,368	5,900			11,268						11,268

Observations

The members of the Board of Directors included in this section are all those who were members in 2021, although (i) Mr. Solchaga, Mr. Ochoa, Ms. Egaña and Mr. Parthasarathy stopped being members during 2021 (this is, they were as of January 1, 2021, but they were not as of December 31, 2021); and (ii) Ms. Orbegozo, Ms. Mishra and Ms. Girón were appointed as members of the board of directors during 2021 (this is, they were not as of January 1, 2021, but they were as of December 31, 2021).

C.2 Indicate the evolution over the last five years of the amount and percentage variation of the remuneration accrued by each of the listed company's directors who were directors during the year, of the consolidated results of the company and of the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % annual variation								
	2021	% variation 2021/2020	2020	% variation 2020/2019	2019	% variation 2019/2018	2018	% variation 2018/2017	2017
<b>Executive directors</b>									
JESUS MARIA HERRERA BARANDIARAN	9,519	163.25	3,616	-7.64	3,915	1.82	3,845	226.40	1,178
FERMIN DEL RIO SANZ DE ACEDO	215	-47.82	412	-70.84	1,413	560.28	214	-83.82	1,323
<b>External Board Members</b>									
ARANTZA ESTEFANÍA LARRAÑAGA	80	50.94	53	-	0	-	0	-	0
CARLOS SOLCHAGA CATALÁN	140	0.00	140	0.00	140	0.00	140	16.67	120
ÁNGEL MANUEL OCHOA CRESPO	100	0.00	100	0.00	100	0.00	100	25.00	80

ANTONIO MARIA PRADERA JAUREGUI	1,214	0.00	1,214	0.00	1,214	0.00	1,214	0.00	1,214
MARÍA EUGENIA GIRÓN DÁVILA	0	-	0	-	0	-	0	-	0
ELENA MARÍA ORBEGOZO LABORDE	0	-	0	-	0	-	0	-	0
GOIZALDE EGAÑA GARITAGOITIA	0	-	0	-	0	-	0	-	0
JACOBO LLANZA FIGUEROA	0	-	0	-	0	-	0	-	0
SANTOS MARTÍNEZ- CONDE GUTIÉRREZ BARQUÍN	0	-	0	-	0	-	0	-	0
FRANCISCO JOSÉ RIBERAS MERA	0	-	0	-	0	-	0	-	0
JUAN MARÍA RIBERAS MERA	0	-	0	-	0	-	0	-	0
SHRIPRAKASH SHUKLA	0	-	0	-	0	-	0	-	0
MARÍA TERESA SALEGUI ARBIZU	0	-	0	-	0	-	0	-	0
SUMAN MISHRA	0	-	0	-	0	-	0	-	0

VANKIPURAM PARTHASARATHY	0	-	0	-	0	-	0	-	0
<b>Consolidated profit/loss of the company</b>									
	293,475	50.31	195,246	-37.83	314,051	-28.21	437,485	69.47	258,156
<b>Average employee wages</b>									
	17	6.25	16	16.67	15	0.00	15	-25.00	20

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#### **D. OTHER USEFUL INFORMATION**

If there is any relevant aspect in terms of directors' remuneration not recorded in the other sections of this report but which should be included to present more complete and reasoned information on the structure and remuneration practices of the company in relation to its directors, give a brief summary of them.

This annual remuneration report has been approved by the company's board in its meeting on:

02/25/2022

Indicate whether directors have voted against or abstained from voting on the approval of this Report.

Yes

No